



CITY COUNCIL AGENDA PACKET

CITY COUNCIL CHAMBERS, CITY HALL
7351 ROSANNA STREET, GILROY, CA
95020

REGULAR MEETING | 6:00 PM
MONDAY, MAY 1, 2023

MAYOR
Marie Blankley

COUNCIL MEMBERS
Rebeca Armendariz
Dion Bracco
Tom Cline
Zach Hilton
Carol Marques
Fred Tovar

CITY COUNCIL PACKET MATERIALS ARE AVAILABLE ONLINE AT www.cityofgilroy.org
AGENDA CLOSING TIME IS 5:00 P.M. THE TUESDAY PRIOR TO THE MEETING

Due to COVID-19, it is possible that the planned in-person meeting may have to change to a virtual meeting at any time and possibly on short notice. Please check the City of Gilroy website www.cityofgilroy.org for any updates to meeting information.

COMMENTS BY THE PUBLIC WILL BE TAKEN ON AGENDA ITEMS BEFORE ACTION IS TAKEN BY THE CITY COUNCIL. Public testimony is subject to reasonable regulations, including but not limited to time restrictions for each individual speaker. [Please limit your comments to 3 minutes.](#) The amount of time allowed per speaker may vary at the Mayor's discretion depending on the number of speakers and length of the agenda.

Written comments on any agenda item may be emailed to the City Clerk's Office at cityclerk@cityofgilroy.org or mailed to the Gilroy City Clerk's Office at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the City Clerk's Office by 1 p.m. on the day of a Council meeting will be distributed to the City Council prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of Administration at City Hall, 7351 Rosanna Street prior to the meeting. Any correspondence received will be incorporated into the meeting record. Items received after the 1 p.m. deadline will be provided to the City Council as soon as practicable. Written comments are also available on the City's Public Records Portal at bit.ly/3NuS1IN.



In compliance with the Americans with Disabilities Act, the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk's Office at least 72 hours prior to the meeting at (408) 846-0204 or cityclerk@cityofgilroy.org to help ensure that reasonable arrangements can be made.



If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Please take notice that the time within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

A Closed Session may be called during this meeting pursuant to Government Code Section 54956.9 (d)(2) if a point has been reached where, in the opinion of the legislative body of the City on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City.

Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available with the agenda packet on the City website at www.cityofgilroy.org subject to the Staff's ability to post the documents before the meeting.

KNOW YOUR RIGHTS UNDER THE GILROY OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, task forces, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE, TO RECEIVE A FREE COPY OF THE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT COMMISSION STAFF AT (408) 846-0204.

If you need assistance with translation and would like to speak during public comment, please contact the City Clerk a minimum of 72 hours prior to the meeting at 408-846-0204 or e-mail the City Clerk's Office at cityclerk@cityofgilroy.org.

Si necesita un intérprete durante la junta y gustaría dar un comentario público, comuníquese con el Secretario de la Ciudad un mínimo de 72 horas antes de la junta al 408-846-0204 o envíe un correo electrónico a la Oficina del Secretario de la Ciudad a cityclerk@cityofgilroy.org.



To access written translation during the meeting, please scan the QR Code or click this link:

Para acceder a la traducción durante la reunión, por favor escanee el código QR o haga clic en el enlace:

bit.ly/3FBiGA0

Choose Language and Click Attend | *Selecione su lenguaje y haga clic en asistir*

Use a headset on your phone for audio or read the transcript on your device.

Use sus auriculares para escuchar el audio o leer la transcripción en el dispositivo.

The agenda for this regular meeting is as follows:

1. **OPENING**
 - 1.1. **Call to Order**
 - 1.2. **Pledge of Allegiance**
 - 1.3. **Invocation**
 - 1.4. **City Clerk's Report on Posting the Agenda**
 - 1.5. **Roll Call**
 - 1.6. **Orders of the Day**

1.7. Employee Introductions

2. CEREMONIAL ITEMS - Proclamations and Awards

2.1. Proclamation Naming May 2023 as Bicycle Awareness Month

2.2. Proclamation Naming May 2023 as Affordable Housing Month

2.3. Proclamation Naming May 2023 as Building Safety Month

3. PRESENTATIONS TO THE COUNCIL

3.1. PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL

This portion of the meeting is reserved for persons desiring to address the Council on matters within the Gilroy City Council's jurisdiction but not on the agenda. Persons wishing to address the Council are requested to complete a Speaker's Card located at the entrances and handed to the City Clerk. Speakers are limited to 1 to 3 minutes each, varying at the Mayor's discretion depending on the number of speakers and length of the agenda. The law does not permit Council action or extended discussion of any item not on the agenda except under special circumstances. If Council action is requested, the Council may place the matter on a future agenda.

Written comments to address the Council on matters not on this agenda may be e-mailed to the City Clerk's Office at cityclerk@cityofgilroy.org or mailed to the Gilroy City Clerk's Office at City Hall, 7351 Rosanna Street, Gilroy, CA 95020. Comments received by the City Clerk's Office by 1:00pm on the day of a Council meeting will be distributed to the City Council prior to or at the meeting and available for public inspection with the agenda packet located in the lobby of Administration at City Hall, 7351 Rosanna Street, prior to the meeting. Any correspondence received will be incorporated into the meeting record. Items received after the 1:00pm deadline will be provided to the City Council as soon as practicable. Written material provided by public members under this section of the agenda will be limited to 10 pages in hard copy. An unlimited amount of material may be provided electronically.

4. REPORTS OF COUNCIL MEMBERS

Council Member Bracco – Cities Association Santa Clara County Board of Directors (*alternate*), Santa Clara County Library Joint Powers Authority, Santa Clara Valley Water Joint Water Resources Committee, SCRWA

Council Member Armendariz – Santa Clara County Library Joint Powers Authority, Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, Silicon Valley Clean Energy Authority JPA Board (*alternate*), South County United for Health

Council Member Marques – ABAG, Gilroy Gardens Board of Directors, Santa Clara Valley Habitat Agency Governing Board, Santa Clara Valley Habitat Agency Implementation Board, SCRWA (*alternate*)

Council Member Hilton – CalTrain Policy Group (*alternate*), Silicon Valley Clean Energy Authority JPA Board, South County United for Health (*alternate*), VTA Policy Advisory Committee

Council Member Cline – Gilroy Economic Development Partnership (*alternate*), Gilroy Sister Cities Association, Gilroy Youth Task Force, Silicon Valley Regional Interoperability Authority Board, VTA Policy Advisory Committee (*alternate*), Visit Gilroy California Welcome Center Board

Council Member Tovar – Gilroy Youth Task Force (*alternate*), Santa Clara County Expressway Plan 2040 Advisory Board, Santa Clara Valley Water Commission, SCRWA, South County Youth Task Force Policy Team, VTA Mobility Partnership

Mayor Blankley – ABAG (*alternate*), CalTrain Policy Group, Cities Association Santa Clara County Board of Directors, Gilroy Economic Development Partnership, Gilroy Sister Cities Association (*alternate*), Gilroy Youth Task Force, Santa Clara Valley Water Joint Water Resources Committee, SCRWA, South County Youth Task Force Policy Team, VTA Board of Directors, VTA Mobility Partnership

5. COUNCIL CORRESPONDENCE

- 5.1. Santa Clara Valley Water District (Valley Water) Notice of Public Hearing for Flood Control Benefit Assessment Rates for Fiscal Year 2023-2024 and Valley Water Benefit Assessment Report**

6. FUTURE COUNCIL INITIATED AGENDA ITEMS

7. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a request is made by a member of the City Council or a member of the public. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar prior to the time the Council votes to approve. If removed, the item will be discussed in the order in which it appears.

- 7.1. Approval of the Action Minutes of the April 17, 2023 City Council Regular Meeting**
- 7.2. Approve an Amendment to the Agreement with SDI Presence for Information Technology (IT) Consulting and Project Support Services**
- 7.3. Claim of Timothy Carthen (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)**

8. BIDS AND PROPOSALS

- 8.1. Award the Purchase of a Type III Fire Engine in the amount of \$415,672.91 Utilizing Cal Fire Tag-On Contract No. 1-22-23-21B**
1. Staff Report: LeeAnn McPhillips, Assistant City Administrator / Administrative Services and Human Resources Director / Risk Manager
 2. Public Comment
 3. Possible Action:
 - 1) Award the purchase of a Type III Fire Engine in the amount of \$415,672.91 utilizing Cal Fire Tag-On Contract No. 1-22-23-21B.

- 2) Authorize the City Administrator to execute the purchase contract documents.

8.2. Award a Contract to Teichert Construction for the FY23 Citywide Pavement Rehabilitation Project No. 23-PW-278 and Approve a Total Project Expenditure of \$6,688,412

1. Staff Report: Daryl Jordan, Public Works Director
2. Public Comment
3. Possible Action:
 - a) Adopt a resolution of the City Council of the City of Gilroy amending the budget for the City of Gilroy for Fiscal Year 2022-2023 and appropriating proposed expenditure amendments; and
 - b) Award a Contract to Teichert Construction in the amount of \$6,080,374.35 with an additional project contingency of \$608,037.65 (10%), for a total construction cost of \$6,688,412.00 for the FY23 Citywide Pavement Rehabilitation Project, No. 23-PW-278, and authorize the City Administrator to execute the contract and associated documents.

8.3. Approval of a Third Amendment to the Agreement for Professional Services with Park Consulting Group in the amount of \$379,760 for the Tyler EnerGov Land Management System Project and Post-Production Issue Resolution, Support, and Enhancement Services

1. Staff Report: Sharon Goei, Community Development Director
2. Public Comment
3. Possible Action:

Approve and authorize the City Administrator to execute the third amendment to the Agreement for Professional Services with Park Consulting Group, extending the agreement through June 30, 2025, and adding \$379,760 to the current Agreement, increasing the total not-to-exceed amount to \$663,760, for the Tyler EnerGov Land Management System Project and post-production issue resolution, support, and enhancement services.

8.4. Award of a Contract to David J. Powers & Associates, Inc. in the Amount of \$360,069 with a Project Contingency of \$36,007 (10%), for a Total Cost of \$396,076 for 10th Street Bridge at Uvas Creek Environmental Compliance Services, Project M 16-10 and Adopt a Resolution Amending the Budget for the City of Gilroy for 2022-2023 and Appropriating Proposed Expenditure Amendments

1. Staff Report: Sharon Goei, Community Development Director
2. Public Comment
3. Possible Action:
 - a) Award a Contract to David J. Powers & Associates, Inc. in the amount of \$360,069 with an additional project contingency of \$36,007 (10%), for a total cost of \$396,076 for 10th Street Bridge at Uvas Creek environmental compliance services and authorize the City Administrator to execute the contract and associated documents; and

- b) Adopt a resolution amending the budget for the City of Gilroy for 2022-2023 and appropriating proposed expenditure amendments.

9. PUBLIC HEARINGS

9.1. Emergency Shelters Zoning Amendment

1. Staff Report: Sharon Goei, Community Development Director
2. Open Public Hearing
3. Close Public Hearing
4. Possible Action:

Staff has analyzed the proposed project and recommends that the City Council:

- a) Based on its independent analysis, find that approval of the Emergency Shelters Zoning Amendment is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Emergency Shelters Zoning Amendment would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies;
- b) Motion to read the ordinance by title only and waive further reading; and
- c) Introduce an Ordinance of the City Council of the City of Gilroy approving amendments to the Gilroy City Code, Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific Provisions—Emergency Shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10C (Residential Use Table) regarding Emergency Shelters (Z 23-03).

9.2. Adoption of the Gilroy 2023 - 2031 Housing Element

1. Staff Report: Sharon Goei, Community Development Director
2. Open Public Hearing
3. Close Public Hearing
4. Possible Action:

Staff has analyzed the proposed project and recommends that the City Council:

- a) Based on its independent analysis, find that the adoption of the Gilroy 2023-2031 Housing Element is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Gilroy 2023-2031 Housing Element would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and
- b) Adopt a resolution adopting a general plan amendment to repeal the Gilroy 2015-2023 Housing Element and adopt the Gilroy 2023-2031 Housing Element, in substantial compliance with State Housing Element Law (GPA 22-01); and
- c) Direct the Community Development Director, or designee, to submit the Gilroy 2023-2031 Housing Element and all associated documentation to

the Department of Housing and Community Development (HCD), and further authorize the Community Development Director, or designee, to make any changes to the Housing Element necessary to make it internally consistent, conform to State Housing Element Law as provided in Government Code 65580 et seq, and address any changes or amendments requested by HCD to achieve certification.

9.3. Introduction and First Reading of an Ordinance of the City Council of the City of Gilroy Amending Sections 10A.15 (a) and (c) of the Gilroy City Code Relating to Host Liability for Illegal Fireworks and Illegal Use of Legal Fireworks

1. Staff Report: Sharon Goei, Community Development Director
2. Open Public Hearing
3. Close Public Hearing
4. Possible Action:

Following the reading of the title of the ordinance by the City Clerk, move to waive the first reading of the ordinance beyond the title and introduce the ordinance of the City Council of the City of Gilroy amending Gilroy City Code Sections 10A.15 (a) and (c) to strengthen the ability to enforce a host liability for illegal fireworks and illegal use of legal fireworks on public streets.

9.4. Conduct a Public Hearing to Approve CDBG Program Year 2023-24 Funding Allocations and Annual Action Plan

1. Staff Report: Sharon Goei, Community Development Director
2. Open Public Hearing
3. Close Public Hearing
4. Possible Action:

Approve the Community Development Block Grant (CDBG) funding allocations and Annual Action Plan for Program Year 2023-24.

10. UNFINISHED BUSINESS

10.1. Adopt a Resolution Forming the Downtown Committee and Appoint Public Members to the Committee

1. Staff Report: Bryce Atkins, Assistant to the City Administrator
2. Public Comment
3. Possible Action:

Council:

- a) Adopt the resolution forming the Downtown Committee; and
- b) Appoint public members to the Committee.

11. INTRODUCTION OF NEW BUSINESS

11.1. Fiscal Year 2023 General Fund Forecast Update

1. Staff Report: Harjot Sangha, Finance Director
2. Public Comment
3. Possible Action:

Receive report.

11.2. Council Consideration of a City Council Proclamation and Recognition Policy

1. Staff Report: Bryce Atkins, Assistant to the City Administrator
2. Public Comment
3. Possible Action:

Council adopt the City Council Proclamation and Recognition Policy.

12. CITY ADMINISTRATOR'S REPORTS

12.1. City of Gilroy AARP Taxaide Program

12.2. City of Gilroy/GUSD Award for 2022 Fentanyl Outreach Campaign

13. CITY ATTORNEY'S REPORTS

14. ADJOURNMENT

FUTURE MEETING DATES

May 2023

- | | |
|----|---|
| 3 | Capital Improvement plan Workshop – 6:00 p.m. – 8:00 p.m. |
| 15 | Regular Meeting - 6:00 p.m |
| 22 | Recommend Operating Budget Workshop - 6:00 p.m. – 8:00 p.m. |

June 2023

- | | |
|----|----------------------------|
| 5 | Regular Meeting - 6:00 p.m |
| 19 | Regular Meeting - 6:00 p.m |

July 2023

- | | |
|----|---|
| 3 | Regular Meeting – 6:00 p.m -CANCELED- |
| 10 | Special Meeting - 6:00 p.m |

Meetings are webstreamed on the City of Gilroy's website at gilroy.city/meetings.

City of Gilroy Proclamation



WHEREAS,

The City of Gilroy joins cities and counties throughout the country in promoting May as National Bike Month, and the 18th of May, 2023 as Gilroy Bike to Wherever Day; and

WHEREAS,

Gilroy acknowledges that walking and bicycling are successful transportation modes that promote healthy living, alleviates traffic and parking congestion, reduces air pollution, and decreases fuel consumption; and

WHEREAS,

Both National Bike Month and Bike to Wherever Day are effective in converting drivers into pedestrians, bicyclists, and educating citizens about the environmental importance of walking and biking to school or work regularly; and

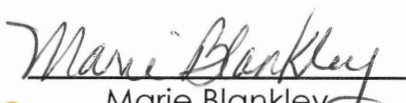
WHEREAS,

Gilroy's efforts to promote Bike to Wherever Day 2023 include an Energizer Station at the Christmas Hill Park, staffed by the Parks and Recreation Commission and volunteers.

NOW, THEREFORE, I, Marie Blankley, Mayor of the City of Gilroy, on this 1st day of May 2023, along with my colleagues on the City Council, do hereby proclaim May 2023 as

BICYCLE AWARENESS MONTH

Attested to by:


Marie Blankley
MAYOR




Thai Nam Pham
City Clerk

City of Gilroy Proclamation



WHEREAS,

affordable housing is one of the cornerstones of democracy and part of the American Dream; and

WHEREAS,

our communities thrive when all families have a safe, stable, and affordable place to call home; and

WHEREAS,

the City of Gilroy welcomes efforts to produce, protect, and preserve the supply of affordable housing options; and

WHEREAS,

the COVID-19 pandemic both highlighted existing housing instability and homelessness crisis, and has further increased the need for affordable housing in recovery; and

WHEREAS,

the process of economic recovery will be gradual, the City of Gilroy is committed to the advancement of housing options for various levels of income, including the addition of smaller homes in all neighborhoods; and

WHEREAS,

the City of Gilroy, together with organizations throughout Silicon Valley, is dedicated to providing safe, stable, permanent, and affordable housing to all members of the community; and

WHEREAS,

the City of Gilroy has partnered with local agencies and community members to organize Affordable Housing Month to encourage the sharing of best practices, opportunities, and solutions to provide affordable housing.

NOW, THEREFORE, I, Marie Blankley, Mayor of the City of Gilroy, on this 1st day of May 2023, along with my colleagues on the City Council, do hereby proclaim May 2023 as

AFFORDABLE HOUSING MONTH

and encourage Gilroy residents to participate in Affordable Housing Month activities.


Marie Blankley
MAYOR



Attested to by:


Thai Nam Pham
City Clerk

City of Gilroy

Proclamation



WHEREAS, the City of Gilroy is committed to recognizing that our growth and strength depends on the safety and essential role our homes, buildings and infrastructure play, both in everyday life and when disasters strike; and

WHEREAS, our confidence in the resilience of these buildings that make up our community is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, design professionals, laborers, plumbers and others in the construction industry—who work year-round to ensure the safe construction of buildings; and

WHEREAS, these guardians are dedicated members of the International Code Council, a nonprofit that brings together local, state, territorial, tribal and federal officials who are experts in the built environment to create and implement the highest-quality codes to protect us in the buildings where we live, learn, work and play; and

WHEREAS, these modern building codes include safeguards to protect the public from hazards such as wildland fires, floods, and earthquakes; and

WHEREAS, Building Safety Month is sponsored by the International Code Council to remind the public about the critical role of our communities' largely unknown protectors of public safety—our local code officials—who assure us of safe, sustainable and affordable buildings that are essential to our prosperity; and

WHEREAS, "It Starts with You," The theme for Building Safety Month 2023, encourages us all to raise awareness about building safety on a personal, local, and global scale; and

WHEREAS, each year, in observance of Building Safety Month, people all over the world are asked to consider the commitment to improve building safety, resilience and economic investment at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments, fire prevention bureaus and federal agencies in protecting lives and property.

NOW, THEREFORE, I, Marie Blankley, Mayor of the City of Gilroy, on this 1st day of May 2023, along with my colleagues on the City Council, do hereby proclaim May 2023 as

BUILDING SAFETY MONTH

and encourage Gilroy residents and businesses to join with their communities and participate in Building Safety Month activities.

Attested to by:


Marie Blankley
MAYOR




Thai Nam Pham
City Clerk



NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of Directors of the Santa Clara Valley Water District (Valley Water) will hold a public hearing on a report recommending:

FLOOD CONTROL BENEFIT ASSESSMENT RATES FOR FISCAL YEAR 2023-2024 in flood control zones of said Valley Water.

The public hearing will be held on Tuesday, May 16, 2023, at 1 p.m., in a Special Board Meeting accessible to the public located at Santa Clara Valley Water District Board Chambers, 5700 Almaden Expressway, San Jose, CA and via Zoom link (<https://valleywater.zoom.us/j/84454515597>).

These meetings are being held in accordance with the Brown Act. The public hearing will be held during a Board Meeting and is accessible for public in-person participation at the time, date, and location shown above, or by public virtual participation at the Zoom links above. Document(s) associated with this hearing are available for public inspection prior to the meeting in the Clerk of the Board's Office or online at www.valleywater.org and will be available at the meeting.

Said report is in writing and incorporates by reference a description of each parcel and the expected amount of assessment under the approved assessment formula for each parcel within the flood control zones of Valley Water.

The report may be viewed on the Valley Water web page at the following link: ([Benefit Assessment 2023-2024](#)), or in-person in the Valley Water Clerk of the Board's Office. Copies of the report are also being distributed to the City Clerks' offices of the cities listed below and may be available on their respective web pages:

City of Campbell
www.cityofcampbell.com

City of Milpitas
www.ci.milpitas.ca.gov

City of Santa Clara
www.santaclaraca.gov

City of Cupertino
www.cupertino.org

City of Monte Sereno
www.montesereno.org

City of Saratoga
www.saratoga.ca.us

City of Gilroy
www.cityofgilroy.org

City of Morgan Hill
www.morganhill.ca.gov

City of Sunnyvale
www.sunnyvale.ca.gov

City of Los Altos
www.losaltosca.gov

City of Mountain View
www.mountainview.gov

County of Santa Clara
www.sccgov.org

Town of Los Altos Hills
www.losaltoshills.ca.gov

City of Palo Alto
www.cityofpaloalto.org

Town of Los Gatos
www.losgatosca.gov

City of San Jose
www.sanjoseca.gov

If you would like a hard copy of the report, please send a request to clerkoftheboard@valleywater.org, and a copy will be mailed.



NOTE: To secure information on an individual parcel assessment, you will need your Assessor Parcel Number. If you do not know your parcel number, please contact the County Assessor's Office at (408) 299-5000 and ask for it, giving your name and street address. Using that parcel number, you can learn your proposed assessment by calling (408) 630-3137.

At the hearing, the Board of Directors will hear any and all protests. At the conclusion of the hearing, the Board may adopt, revise, change, reduce, or modify any assessment and will make its determination upon each assessment referred to in the report and thereafter, by resolution, will confirm the assessments.

SANTA CLARA VALLEY WATER DISTRICT

A handwritten signature in blue ink that reads "Michele L. King".

Date: 4/11/23

By: _____
Michele L. King, CMC
Clerk/Board of Directors

FLOOD CONTROL BENEFIT ASSESSMENTS

FOR FISCAL YEARS

2023-2024

Through

2029-2030

April 2023



SANTA CLARA VALLEY WATER DISTRICT

FLOOD CONTROL BENEFIT ASSESSMENTS
FOR FISCAL YEARS
2023-2024
Through
2029-2030

prepared by

Jennifer Abadilla
Senior Management Analyst

And

Carmen Narayanan
Financial Planning and Revenue Manager

Under the Direction of

Rechelle Blank
Chief Operating Officer – Watershed Operations

April 2023

VALLEY WATER BOARD OF DIRECTORS

John L. Varela, Chair	District 1	Nai Hsueh	District 5
Barbara Keegan, Vice Chair	District 2	Tony Estremera	District 6
Richard P. Santos	District 3	Rebecca Eisenberg	District 7
Jim Beall	District 4		

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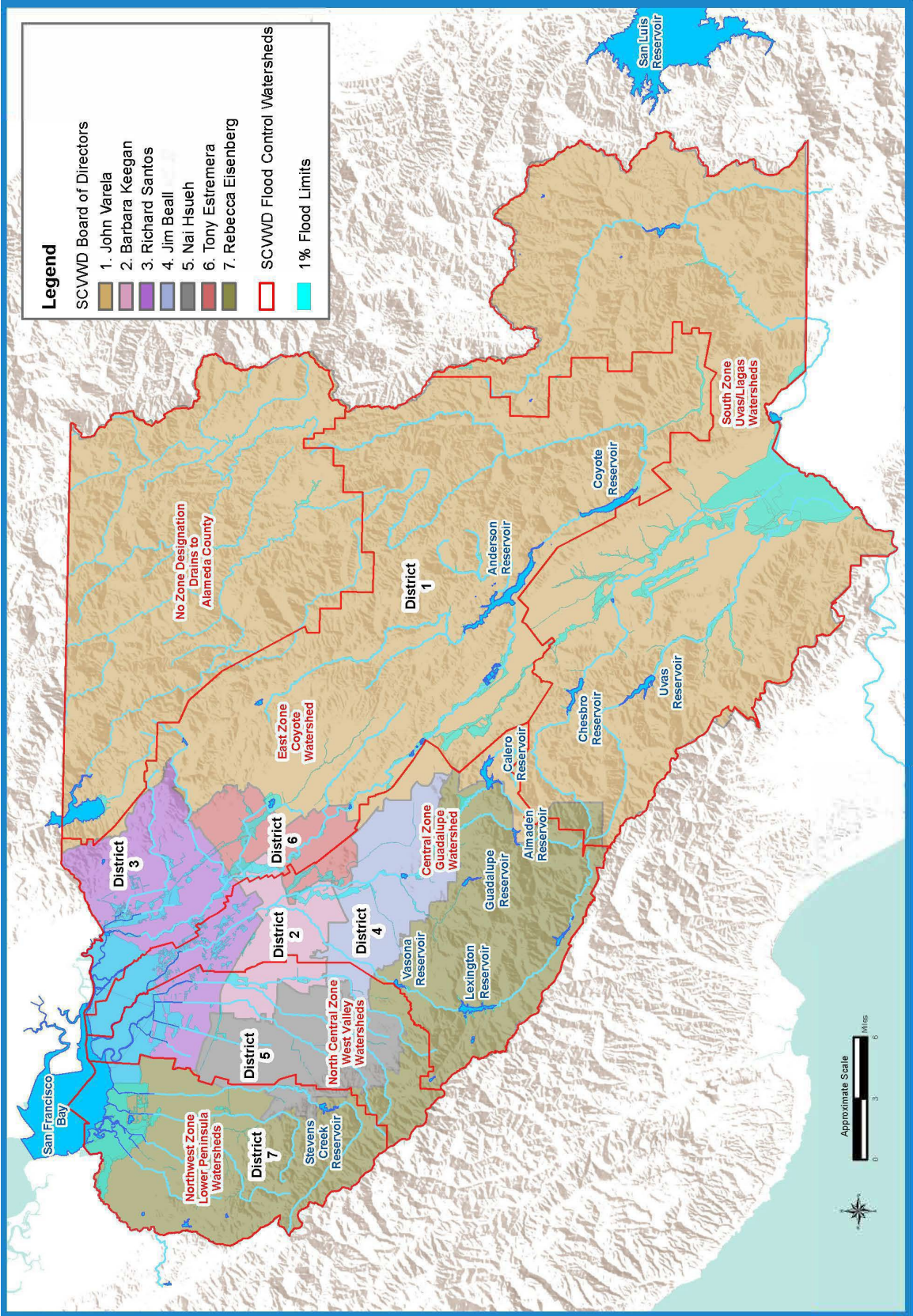
INTRODUCTION/SUMMARY

This Flood Control Benefit Assessment report is prepared in accordance with voter-approved Santa Clara Valley Water District (Valley Water) resolutions. It presents annual revenue requirements for fiscal years 2023-24 through 2029-30 for each of the five flood control zones throughout Valley Water (see map on page 2 for zone locations). Commencing on July 1, 2000, Valley Water benefit assessments are limited to pay qualified debt obligations and covenants only.

The qualified debt obligations in each of the zones are for debt service and associated covenants of outstanding Certificates of Participation (long-term financing instruments similar to bonds). The proceeds from these long-term debt obligations have been or will be used to plan, design and build flood protection facilities. Major projects partially financed with debt proceeds include Palo Alto Flood Basin Structure Improvements, Guadalupe from Tasman Drive to I-880, Lower Silver Creek from Cunningham Avenue to I-680, Salt Ponds, Lower Penitencia Creek to Calaveras, Lower Penitencia Creek Montague Expressway to Coyote Creek, and the San Francisco Bay Shoreline projects.

This report serves as the base report for the public hearings on flood control benefit assessments for FY 2023-24 and subsequent fiscal years until 2029-30.

Information on the flood control benefit assessment for an individual parcel as well as the initial detailed Valley Water reports describing the need for supplemental flood control revenue from benefit assessments are available for review through the Clerk of the Board at Valley Water's office located at 5700 Almaden Expressway, San Jose, California.



GIS themes are for illustration and general analysis purposes only and are not accurate to surveying or engineering standards. Information is not guaranteed to be accurate, current, or complete and use of this information is your responsibility.

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BACKGROUND

INITIATION OF BENEFIT ASSESSMENT PROGRAM

After passage of Proposition 13 in 1978, revenue for Valley Water flood control activities was significantly decreased. The State Legislature recognized the vital public safety service furnished by local flood control districts and passed Assembly Bill 549 (Frazee) in 1979. This legislation authorized flood control districts to levy benefit assessments to help fund flood control programs. The law permitted flood control benefit assessments to be spread according to the proportional storm water runoff from each parcel of property within the assessed area and required voter approval to continue such levy after the first year. On June 9, 1981, following a public hearing, the Board of Directors (Board) adopted a 10-year flood control benefit assessment program and levied assessments for one year beginning with 1981-82. They put the issue of continuing the benefit assessments for nine more years on the June 8, 1982, ballot for all zones. The measure was overwhelmingly approved by the voters.

REVISED BENEFIT ASSESSMENTS TO ACCELERATE CONSTRUCTION (1986 & 1990)

Following major floods and flood damage in 1982, 1983, and 1986, the Board reviewed the effectiveness of the benefit assessments and found that unless additional funding was made available, many of the needed flood protection projects would not be completed until well past the year 2010. The Board, with recommendations from the Flood Control Zone Advisory Committees, went to the electorate on November 4, 1986, in four zones, the Northwest, Central, East, and South to 1) increase benefit assessment rate limits so construction of flood protection projects could be accelerated, 2) extend the benefit assessment program to the year 2000, 3) use benefit assessments to meet duly authorized debt obligations beyond the year 2000 until retired, and 4) meet flood damage costs to Valley Water facilities from flood disasters. The voters approved the benefit assessment measures in each of these zones. On June 5, 1990, voters approved a similar measure in the North Central zone.

Pursuant to the 1986 and 1990 voter approved benefit assessment programs described above, as of July 1, 2000, benefit assessment rates are determined solely by each zone's long-term debt obligations. Valley Water cannot increase annual debt obligations supported by benefit assessments in excess of amounts in place on July 1, 2000 unless a new measure is approved by voters.

DEBT OBLIGATION REFUNDING (2003)

In February, 2003, Valley Water refinanced a portion of the outstanding 1994A Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in three of the 5 watershed zones; Central, East and North Central. In the Central and North Central zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt was used to supplement voter approved projects in those zones. Savings achieved in the East zone were not eligible to fund projects, but instead were used to reduce debt service and the associated benefit assessments. Table 1 reflects the change to the benefit assessment debt obligation in the East zone, a reduction of roughly \$130,000 per

year beginning in 2004. The refinancing resulted in slight insignificant changes to the debt obligation in all other zones.

DEBT OBLIGATION REFUNDING (2004)

The remaining portion of the 1994A Certificates of Participation (COP's) became eligible for refunding on November 3, 2003. Since the remaining portion was allocated to the advance refunding of the Series 1988 and Series 1990 COP's, tax law requires that a ten year period of time elapse prior to the second advance refunding, marked by November 3, 2003 in this case. In January, 2004, Valley Water refinanced this remaining portion of the outstanding 1994A Series Certificates of Participation to again take advantage of the favorable interest rate market. Valley Water realized cost savings in two of the 5 watershed zones; Northwest and South. In the Northwest zone, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt was used to supplement voter approved projects in that zone.

Savings achieved in the South zone were not eligible to fund projects, but instead were used to shorten the term over which the debt service would be paid and associated benefit assessments would be collected. Table 1 on the following page reflects the change to the benefit assessment debt obligation in the South zone, in which the debt obligation is paid off by the year 2013 instead of 2024. The refinancing resulted in slight insignificant changes to the debt obligation in all other zones.

DEBT OBLIGATION REFUNDING (2007)

In February, 2007 Valley Water refinanced the outstanding portion of the 2000 Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in four of the 5 watershed zones; Northwest, North Central, Central, and East. No debt was issued for the South zone under the 2000 Series debt issuance; therefore, the South zone was not affected by the refunding. In the four affected zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt was used for voter approved projects in each zone.

There was a one-time reduction in the benefit assessment debt obligation for each of the four affected zones in FY 2008 as shown on Table 1. This one-time reduction was a result of the issuance of the 2007A Refunding Certificates of Participation that refinanced the 2000 Series Certificates of Participation. Upon analyzing the results of the refunding, Bond Counsel determined that \$1.1M was available to pay down principal in the affected zones. In FY 2009 and beyond, Table 1 reflects slight immaterial changes to the benefit assessment debt obligation in the four affected zones due to the refinancing. Table 1 also shows the End of Year Principal balance schedule in aggregate for all zones.

DEBT OBLIGATION REFUNDING (2012)

In November, 2012 Valley Water refinanced the outstanding portion of the 2003A Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in three of the 5 watershed zones; North Central, Central, and East. In the three affected zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the

yearly debt service at the current level. The additional debt will be used for voter approved projects in each zone. The refinancing resulted in slight insignificant changes to the debt obligation in the three affected zones which are reflected in Table 1.

DEBT OBLIGATION REFUNDING (2017)

In March, 2017 Valley Water refinanced the outstanding portion of the 2004A and 2007A Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in four of the 5 watershed zones; Northwest, North Central, Central, and East. In the four affected zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt will be used for voter approved projects in each zone. The refinancing resulted in slight insignificant changes to the debt obligation in the four affected zones which are reflected in Table 1.

ONE TIME ADJUSTMENT TO BENEFIT ASSESSMENT DEBT OBLIGATION (2021)

There was a one-time reduction in the benefit assessment debt obligation for three zones in FY 2021 as shown on Table 1. This one-time reduction was caused by \$1.1M excess debt service reserve funds resulting from decreased reserve requirements identified in FY 2019. For FY 2021 only, Table 1 reflects reductions to the benefit assessment debt obligation for the North Central, Central and East zones totaling \$1.1M. Table 1 also shows the End of Year Principal balance schedule in aggregate for all zones.

REDUCTION TO BENEFIT ASSESSMENT DEBT OBLIGATION (2022)

There will be a slight reduction in the benefit assessment debt obligation for three zones in FY 2023 as shown on Table 1. This slight reduction is due to utilizing \$5M in debt service reserve funds that are mandated per bond covenants. These funds will cover the final 2012A Series Certificates of Participation debt service payment in FY 2024 and result in overall lower debt service payments through FY 2030. Table 1 also shows the End of Year Principal balance schedule in aggregate for all zones.

Table 1
Flood Control Benefit Assessment
Debt Obligation Schedule*
& End of Year Principal Balance

Fiscal Year	Northwest Zone	North Central Zone	Central Zone	East Zone	South Zone	End of Year Principal Balance
	(Lower Peninsula)	(West Valley)	(Guadalupe)	(Coyote)	(Uvas-Llagas)	
2005	\$4,683,279	\$2,961,469	\$6,266,733	\$4,685,927	\$762,874	\$185,260,000
2006	\$4,688,707	\$2,968,562	\$6,284,527	\$4,693,154	\$765,050	\$177,940,000
2007	\$4,693,280	\$2,972,291	\$6,293,598	\$4,698,526	\$766,599	\$170,310,000
2008	\$4,149,940	\$2,811,030	\$6,118,061	\$4,209,282	\$767,821	\$170,200,000
2009	\$4,694,211	\$2,977,909	\$6,309,876	\$4,701,353	\$769,058	\$161,485,000
2010	\$4,688,957	\$2,973,939	\$6,300,769	\$4,697,090	\$767,773	\$152,440,000
2011	\$4,667,239	\$2,948,775	\$6,237,262	\$4,669,012	\$758,733	\$143,160,000
2012	\$4,676,487	\$2,958,686	\$6,261,490	\$4,682,321	\$761,825	\$133,440,000
2013	\$4,680,768	\$2,964,455	\$6,276,483	\$4,686,768	\$764,034	\$123,100,000
2014	\$4,322,174	\$2,502,568	\$5,277,998	\$4,206,085	\$0	\$115,045,000
2015	\$4,305,891	\$2,500,054	\$5,227,748	\$4,203,840	\$0	\$106,690,000
2016	\$4,078,738	\$2,277,005	\$4,594,928	\$3,970,919	\$0	\$99,060,000
2017	\$4,082,042	\$2,278,317	\$4,598,392	\$3,973,371	\$0	\$91,040,000
2018	\$4,078,867	\$2,277,292	\$4,597,191	\$3,970,971	\$0	\$82,655,000
2019	\$4,079,626	\$2,277,340	\$4,598,072	\$3,971,383	\$0	\$73,850,000
2020	\$2,731,842	\$2,277,595	\$4,598,761	\$3,972,284	\$0	\$65,705,000
2021	\$2,735,024	\$2,037,986	\$3,995,628	\$3,725,522	\$0	\$57,170,000
2022	\$2,734,901	\$2,279,421	\$4,599,256	\$3,975,980	\$0	\$48,260,000
2023	\$2,730,584	\$2,231,223	\$4,480,020	\$3,923,421	\$0	\$38,955,000
2024	\$2,731,941	\$819,513	\$950,695	\$2,459,231	\$0	\$29,235,000
2025	\$2,731,077	\$819,254	\$910,590	\$2,458,454	\$0	\$24,940,000
2026	\$2,732,804	\$819,772	\$911,166	\$2,460,008	\$0	\$20,425,000
2027	\$2,731,817	\$819,476	\$910,837	\$2,459,120	\$0	\$15,685,000
2028	\$2,732,927	\$819,809	\$911,207	\$2,460,119	\$0	\$10,710,000
2029	\$2,733,298	\$819,920	\$911,330	\$2,460,453	\$0	\$5,485,000
2030	\$2,732,681	\$819,735	\$911,124	\$2,459,897	\$0	\$0

*Based on debt service and requirements associated with debt covenants for the 2012A, and 2017A Series Certificates of Participation.

FLOOD CONTROL BENEFIT ASSESSMENTS

GENERAL PROVISIONS

State law allows the benefit assessments to be based on the proportionate amount of storm water runoff from each privately-owned parcel of property.

Consistent with this provision, Valley Water's Board has, with voter approval, established five benefit assessment land use categories, A through E, for parcels assessed within Valley Water's five flood control zones. These benefit assessment land use categories are as follows:

Land Use Category	Land Use
A	Commercial and industrial
B	Apartments, schools, and churches
C	Single family residential and small multiples (2-4 units), condominiums, and townhouses
D	Vacant land presently utilized for farming, vineyards, and crops
E	Urban: Nonutilized agricultural land, grazing land, salt ponds, undisturbed vacant land, and parcels used exclusively as well sites located in urban areas
	Rural: Non-utilized agricultural land, grazing land, undisturbed vacant land and parcels used exclusively as well sites located in rural areas

The assessment for an individual parcel in a given land use category is computed by multiplying the area of the parcel in acres by the appropriate assessment rate. If the computed assessment is less than the minimum assessment amount, the minimum assessment is used.

BENEFIT ASSESSMENT RATES FOR EACH ZONE

Each of the five flood control zones has an individual set of benefit assessment rates to meet respective debt obligations. These debt obligations, consisting of debt service payments and requirements associated with debt covenants are shown for all zones for each fiscal year in Table 1. Actual rates will be determined once annual land use information is received from the County Assessor in July. Historical rates for fiscal year 2022-23 are shown in Table 2. Expected rates for FY 2023-24 are shown in Table 3. South Zone's debt obligation has been paid off and therefore the expected rates are zero.

FY 2022-23 BENEFIT ASSESSMENT RATES

Table 2 below shows the benefit assessment rates levied in fiscal year 2022-23.

Table 2
FY 2022–23. Assessments by Category and Zone

Land Use Categories	Flood Control Zones				
	Northwest (Lower Peninsula)	North Central (West Valley)	Central (Guadalupe)	East (Coyote)	South (Uvas-Llagas)
A - Commercial, Industrial					
Rate (\$/Acre)	\$212.75	\$102.89	\$164.70	\$164.43	\$0.00
Minimum Assessment ⁽¹⁾	\$53.19	\$25.72	\$41.17	\$41.11	\$0.00
B - Apartment, Schools, Churches					
Rate (\$/Acre)	\$159.56	\$77.17	\$123.52	\$123.32	\$0.00
Minimum Assessment ⁽¹⁾	\$39.89	\$19.29	\$30.88	\$30.83	\$0.00
C - Single Family Residential, Small Multiples (2-4 units), Condominiums, and Townhouses					
Rate (\$/Acre)	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾
Minimum Assessment ⁽¹⁾	\$26.59	\$12.86	\$20.59	\$20.55	\$0.00
D - Utilized Agriculture					
Rate (\$/Acre)	\$1.33	\$0.64	\$1.03	\$1.03	\$0.00
Minimum Assessment ⁽¹⁾	\$13.30	\$6.43	\$10.29	\$10.28	\$0.00
E Urban - Non-utilized Agricultural, grazing Land, Salt Ponds, Well Site in Urban Areas					
Rate (\$/Acre)	\$0.40	\$0.19	\$0.31	\$0.31	\$0.00
Minimum Assessment ⁽¹⁾	\$3.99	\$1.93	\$3.09	\$3.08	\$0.00
R Rural - Non-utilized Agricultural, Grazing Land, Well Sites in Rural Areas					
Rate (\$/Acre)	\$0.05	\$0.02	\$0.04	\$0.04	\$0.00
Minimum Assessment ⁽¹⁾	\$3.99	\$1.93	\$3.09	\$3.08	\$0.00
(1) The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E urban parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment for Group E rural parcels is the same as E urban but applies to parcels of 80 acres or less. (2) Residential land in excess of 1/4 acre is assessed at the D rate.					

EXPECTED FY 2023-24 BENEFIT ASSESSMENT RATES

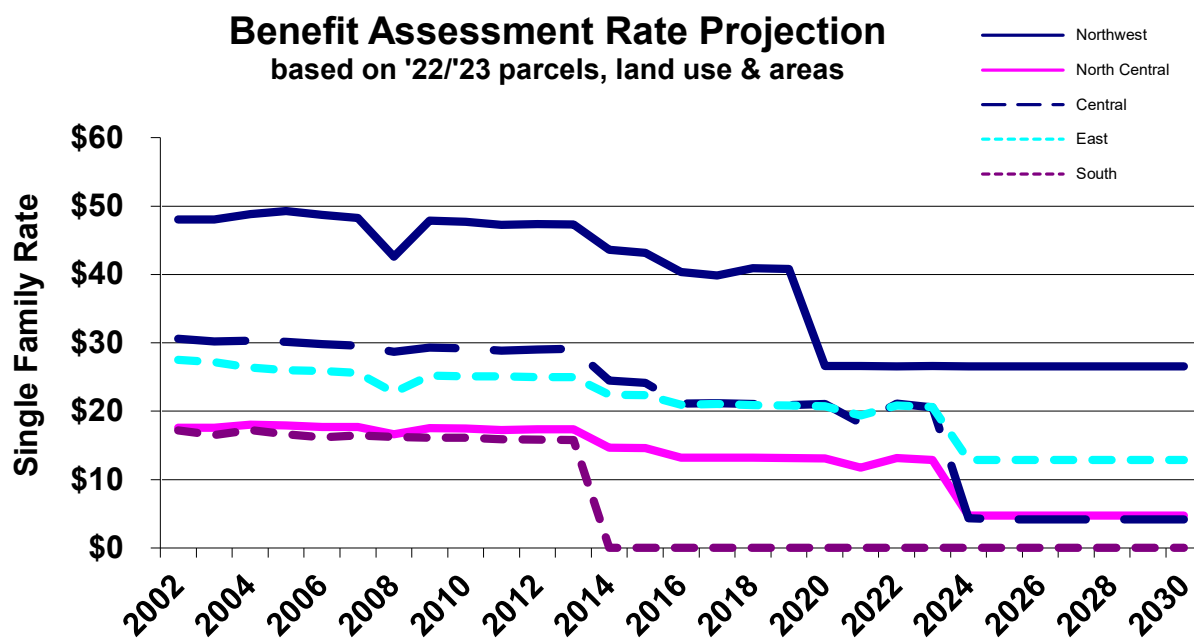
Table 3 shows the expected benefit assessment rates to be levied in fiscal year 2023-24.

Table 3
Expected FY 2023–24 Assessments by Category and Zone

Land Use Categories	Flood Control Zones				
	Northwest (Lower Peninsula)	North Central (West Valley)	Central (Guadalupe)	East (Coyote)	South (Uvas-Llagas)
A - Commercial, Industrial					
Rate (\$/Acre)	\$212.51	\$37.76	\$34.88	\$103.06	\$0.00
Minimum Assessment ⁽¹⁾	\$53.13	\$9.44	\$8.72	\$25.77	\$0.00
B - Apartment, Schools, Churches					
Rate (\$/Acre)	\$159.38	\$28.32	\$26.16	\$77.29	\$0.00
Minimum Assessment ⁽¹⁾	\$39.84	\$7.08	\$6.54	\$19.32	\$0.00
C - Single Family Residential, Small Multiples (2-4 units), Condominiums, and Townhouses					
Rate (\$/Acre)	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾
Minimum Assessment ⁽¹⁾	\$26.56	\$4.72	\$4.36	\$12.88	\$0.00
D - Utilized Agriculture					
Rate (\$/Acre)	\$1.33	\$0.23	\$0.22	\$0.65	\$0.00
Minimum Assessment ⁽¹⁾	\$13.28	\$2.36	\$2.18	\$6.44	\$0.00
E Urban - Non-utilized Agricultural, grazing Land, Salt Ponds, Well Site in Urban Areas					
Rate (\$/Acre)	\$0.40	\$0.07	\$0.07	\$0.19	\$0.00
Minimum Assessment ⁽¹⁾	\$3.99	\$0.71	\$0.65	\$1.93	\$0.00
E Rural - Non-utilized Agricultural, Grazing Land, Well Sites in Rural Areas					
Rate (\$/Acre)	\$0.05	\$0.01	\$0.01	\$0.03	\$0.00
Minimum Assessment ⁽¹⁾	\$3.99	\$0.71	\$0.65	\$1.93	\$0.00
(1) The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E urban parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment for Group E rural parcels is the same as E urban but applies to parcels of 80 acres or less. (2) Residential land in excess of 1/4 acre is assessed at the D rate.					

PROJECTED BENEFIT ASSESSMENT RATES

A graph of projected benefit assessment rates assuming the same parcels with the same land use and areas as existed in FY 2022-2023 is shown below. This graph indicates how the rates will decrease over time as various series of Certificates of Participation are retired.



Note: Actual rates will likely be lower as parcels are developed in the future

ASSESSMENT ROLLS AND COLLECTION

The Benefit Assessment Act of 1982 provides that benefit assessments may be levied and collected by the County Tax Collector at the same time and in the same manner as the general tax levy.

Following adoption of the benefit assessment resolution for 2023-24 and subsequent years, Valley Water will prepare a separate assessment roll identifying each parcel of land subject to flood control benefit assessment for each flood control zone. For each parcel, the roll will list the assessor parcel number, owner's name, County land use code, Valley Water land use category, flood control zone, acreage and flood control benefit assessment based on the annual revenue requirement. This information will be available for review at Valley Water through the Clerk of the Board. Extractions from the benefit assessment roll showing parcel number and assessment amount will be forwarded to the County Tax Collector in early August to facilitate County collection of the flood control benefit assessments on the annual property tax bills.

City of Gilroy
City Council Regular Meeting Minutes
Monday, April 17, 2023 | 6:00 PM

1. OPENING

1.1. Call to Order

The Meeting was called to order by Mayor Blankley at 6:00 p.m.

1.2. Pledge of Allegiance

Council Member Tovar led the Pledge of Allegiance.

1.3. Invocation

There were none.

1.4. City Clerk's Report on Posting the Agenda

Deputy City Clerk Ruiz reported on the Posting of the Agenda.

1.5. Roll Call

Attendance	Attendee Name
Present	Rebeca Armendariz, Council Member Dion Bracco, Mayor Pro Tempore Tom Cline, Council Member Zach Hilton, Council Member Carol Marques, Council Member Fred Tovar, Council Member Marie Blankley, Mayor
Absent	None

1.6. Orders of the Day

There were none.

1.7. Employee Introductions

Police Chief Espinoza introduced Savannah Hartman, Public Safety Communicator.

2. CEREMONIAL ITEMS - Proclamations and Awards

There were none.

3. PRESENTATIONS TO THE COUNCIL

3.1. PUBLIC COMMENT BY MEMBERS OF THE PUBLIC ON ITEMS NOT ON THE AGENDA BUT WITHIN THE SUBJECT MATTER JURISDICTION OF THE CITY COUNCIL

Mayor Blankley opened Public Comment.

The following members spoke on items that were not on the agenda:

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Ron Kirkish informed the Council of the latest electricity rates proposal on income-based utility billing and the banned on gas appliances in new construction.

James Pearson praised several staff departments' efficiency, thoroughness, and permit approval process.

There being no further speakers, Mayor Blankley closed Public Comment.

4. REPORTS OF COUNCIL MEMBERS

Council Member Bracco had nothing to report.

Council Member Armendariz had nothing to report.

Council Member Marques had nothing to report.

Council Member Hilton reported on Silicon Valley Clean Energy Authority JPA Board and announced that Bike to Wherever Day would be on Thursday, May 18th, at Christmas Hill Park.

Council Member Cline reported that the Gilroy Garlic Festival Association hosted a fundraiser on April 15th, selling over 400 loaves of garlic bread at the Veterans Hall and presenting a check of \$5,000 to the Veteran's Hall to help towards their kitchen remodel.

Council Member Tovar reported on last week's Downtown Cleanup and thanked GDBA, Gilroy Rotary, and Community Members who assisted. Mayor Blakley and Council Member Tovar had the honor of presenting a proclamation to Kat Dyson during the Poppy Jasper International Film Festival.

Mayor Blankley reported on VTA's April 6th Meeting resolutions of the necessity to continue to acquire below underground rights from Berryessa to Santa Clara for Bart and the need to convert a warehouse for a temporary parking garage. SCRWA held a meeting on April 5th, and an \$86 million expansion increased capacity by 30% from 8 to 11 million gallons, equating to a per day population of 8,000 people. Mayor met and will continue to meet monthly with Dr. Avila from Gavilan College to bring those resources into town.

5. COUNCIL CORRESPONDENCE

5.1. Adoption of Proposed Budget for Fiscal Year 2023 & Notice of June 7, 2023 LAFCO Public Hearing

Council acknowledged the item.

6. FUTURE COUNCIL INITIATED AGENDA ITEMS

There were none.

7. CONSENT CALENDAR

Mayor Blankley opened Public Comment. There being no speakers, Mayor Blankley closed Public Comment.

Motion:

Approve the Consent Calendar

RESULT: **Pass**

MOVER: Dion Bracco, Mayor Pro Tempore

SECONDER: Rebeca Armendariz, Council Member

AYES: Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Council Member Tovar, Mayor Blankley

7.1. Approval of the Action Minutes of the April 3, 2023 City Council Regular Meeting

A motion was made to approve the minutes.

7.2. Memorandum of Understanding Among Local Public Agencies in Santa Clara County for Food Recovery Program Costs

A motion was made to approve the Memorandum of Understanding Among Local Public Agencies in Santa Clara County for Food Recovery Program costs.

7.3. Resolution to Accept FEMA Funding for COVID-19 Vaccinator Overtime Reimbursement

A motion was made to adopt the resolution.

Enactment No.: Resolution No. 2023-21

8. BIDS AND PROPOSALS

There were none.

9. PUBLIC HEARINGS

9.1. Public Hearing to Establish a List of Properties Subject to the Weed Abatement Program and Adoption of a Resolution Authorizing the Fire Chief to Abate the Nuisance Arising Out of Weeds Growing and Refuse Accumulating Upon Property in the City of Gilroy Pursuant to Section 12.51 of the Gilroy Code

Fire Chief Wyatt provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Hearing at 6:20 p.m. There being no speakers, Mayor Blankley closed Public Hearing at 6:20 p.m.

Motion:

Adopt a Resolution of the City Council of the City of Gilroy authorizing the Fire Chief to abate the nuisance arising out of weeds growing and refuse accumulating upon property in the City of Gilroy, pursuant to Section 12.51 of the Gilroy City Code.

RESULT: Pass

MOVER: Dion Bracco, Mayor Pro Tempore

SECONDER: Carol Marques, Council Member

AYES: Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Council Member Tovar, Mayor Blankley

Enactment No.: Resolution No. 2023-22

10. UNFINISHED BUSINESS

10.1. Approval of the Santa Teresa Interim Fire Station Alternate Location at Christmas Hill Park

Fire Chief Wyatt provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment. There being no speakers, Mayor Blankley closed the Public Comment.

Council approved the alternate location of Santa Teresa Interim Fire Station which is proposed to be located on the ranch side of Christmas Hill Park in the Santa Teresa Fire Response District.

Motion:

Approve the alternate location of the Santa Teresa Interim Fire Station which is proposed to be located on the ranch side of Christmas Hill Park in the Santa Teresa Fire Response District.

RESULT: Pass

MOVER: Fred Tovar, Council Member

SECONDER: Carol Marques, Council Member

AYES: Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Council Member Tovar, Mayor Blankley

11. INTRODUCTION OF NEW BUSINESS

11.1. Authorize the City Administrator to Enter into a Sole Source Purchasing Agreement with Lenco Industries for the Replacement of a Public Safety Rescue Vehicle for \$360,497

Captain Luke Powell provided staff presentation and responded to Council Members questions.

Mayor Blankley opened Public Comment.

Ron Kirkish spoke in favor of adopting the resolution.

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There being no further public speakers, Mayor Blankley closed Public Comment.

Motion:

Authorize the City Administrator to enter into a sole source purchasing agreement with Lenco Industries for purchase of a Public Safety Rescue Vehicle for \$360,497 and adopt a resolution of the City Council of the City of Gilroy approving Fiscal Year 2023 budget amendment for \$150,000 in the Federal Asset Seizure Fund towards the purchase of the Rescue Vehicle.

RESULT: Pass

MOVER: Fred Tovar, Council Member

SECONDER: Dion Bracco, Mayor Pro Tempore

AYES: Council Member Armendariz, Mayor Pro Tempore Bracco, Council Member Cline, Council Member Hilton, Council Member Marques, Council Member Tovar, Mayor Blankley

Enactment No.: Resolution No. 2023-23

11.2. Receive Report and Provide Direction on Mobile Vending and Sidewalk Vending Rules and Requirements

Special Assistant to City Administration Biggs provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment.

The following members spoke in favor of establishing Mobile Vending and Sidewalk Rules and Requirements:

Jeff Orth
Ana Quintero
Rosario Guizar
Terence Fugazzi
David Leal
Micaela Rodriguez
Ricardo Ramos
Yarim Corchado
Jazmin Carbajal
Elizabeth Carbajal

There being no further speakers, Mayor Blankley closed Public Comment.

Council provided direction to Staff.

11.3. Formation of the Downtown Committee

City Administrator Forbis provided staff presentation and responded to Council Member questions.

Mayor Blankley opened Public Comment. There being no speakers, Mayor Blankley closed Public Comment.

Council accepted the report and determined the following decision points be modified on the proposed resolution:

- 1) Membership has been identified as Council Member Armendariz, Bracco, Marques, Tovar, and Mayor Blankley. Each Council Member will appoint two (2) voting members from the boundary of 1st to Monterey and Egleberry to Railroad and must be a resident, business owner, or property owner within the specified area. A vote must have at least three (3) Council Members for the item to pass, and a quorum of eight (8) must be present for a meeting to be held.
- 2) All meetings will be held at City Hall inside Council Chambers on the second Tuesday of each month at 8:00 a.m., with the first meeting starting in May 2023. Meetings will be held monthly for the first few months and may decrease the frequency to once every two months or quarterly at the determination of the Committee.
- 3) At the first meeting, the Committee will reassign the priority of remaining recommendations and how to define progress on those tasks; then, the Committee may pursue additional recommendations or work.
- 4) Council Member Marques has been appointed Committee Chair, and Council Member Tovar as Committee Vice Chair.

12. CITY ADMINISTRATOR'S REPORTS

City Administrator Forbis provided a brief report and responded to Council Member questions.

13. CITY ATTORNEY'S REPORTS

There were none.

14. ADJOURNMENT

Mayor Blankley adjourned the meeting at 9:16 p.m.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the City Council of the City of Gilroy.

/s/Thai Nam Pham, CMC, CPMC
City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title: **Approve an Amendment to the Agreement with SDI Presence for Information Technology (IT) Consulting and Project Support Services**

Meeting Date: May 1, 2023

From: Jimmy Forbis, City Administrator

Department: Finance

Submitted By: Harjot Sangha, Finance Director

Prepared By: Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Approve and authorize the City Administrator to execute an amendment to the agreement with SDI Presence for IT consulting and project services for a not to exceed the amount of \$189,000, a total increase of \$90,000 over the current contract amount.

EXECUTIVE SUMMARY

In December 2022, the City entered into an agreement with SDI Presence to provide IT consulting and project-based support services for an interim period while the City conducted the recruitment process to fill the vacant IT Manager position. Staff is bringing forward an amendment to the agreement to provide continuity of services through the end of the fiscal year when the recruitment process is anticipated to be complete.

ANALYSIS

In December 2022, the City entered into an agreement with SDI Presence to provide IT consulting and project-based support services for an interim period while the City conducted the recruitment process to fill the vacant IT Manager position. The original agreement anticipated the services for approximately 12 weeks. The recruitment is in process with a candidate in the background. Pending successful clearance and

acceptance of the final offer, staff anticipates the new IT Manager to be onboard by June. As such, staff is recommending amending the agreement with SDI to provide continuity of the interim IT consulting and project-based support services through the end of the current fiscal year.

ALTERNATIVES

Council could elect not to approve the amendment to the agreement. This is not recommended, as the division has critical IT projects requiring technical expertise, oversight, and day-to-day operational support.

FISCAL IMPACT/FUNDING SOURCE

Staff recommends adding an additional \$90,000 for a total not-to-exceed amount of \$189,000. The contract is funded by the Information Services Fund (620). No additional appropriations are required at this time, as there are projected savings to fund the agreement adequately.

Attachments:

1. First Amendment to SDI Presence IT Consulting and Project Services
2. Agreement - SDI Presence, LLC - IT Consulting and Project Services

FIRST AMENDMENT TO THE AGREEMENT FOR SERVICES

WHEREAS, the City of Gilroy, a municipal corporation (“City”), and SDI Presence LLC entered into that certain agreement entitled Agreement for Services, effective on December 6, 2022, hereinafter referred to as “Original Agreement”; and

WHEREAS, City and SDI Presence LLC have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. Article 4, Section A (Consideration) of the Original Agreement shall be amended to read as follows:

“In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set for in Exhibit “D” (“Payment Schedule”). In no event however shall the total compensation paid to CONTRACTOR exceed \$189,000.00.

2. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

3. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CITY OF GILROY

By: _____
[signature]
Jimmy Forbis

[employee name]
City Administrator

[title/department]

Date: _____

Approved as to Form

City Attorney

DocuSigned by:
Sharee L Wolff
By: 877800BCA150430...
[signature]
Sharee Wolff
[name]
Chief Financial Officer
[title]

Date: 4/20/2023

ATTEST:

City Clerk

AGREEMENT FOR SERVICES
(For contracts over \$5,000 - CONSULTANT)

This AGREEMENT made this 5th day of December, 2022, between:

CITY: City of Gilroy, having a principal place of business at
7351 Rosanna Street, Gilroy, California

and CONSULTANT: SDI Presence, LLC, having a principal place of business at 200 E. Randolph Street, Suite 3550, Chicago, IL 60601.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on December 6, 2022 and will continue in effect through June 30, 2023 unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

DS
Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONSULTANT is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT or any employee or agent of CONSULTANT. Both parties acknowledge that CONSULTANT is not an employee for state or federal tax purposes. CONSULTANT shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONSULTANT shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONSULTANT

A. Specific Services

CONSULTANT agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONSULTANT shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONSULTANT'S services.

C. Employment of Assistants

CONSULTANT may, at the CONSULTANT'S own expense, employ such assistants as CONSULTANT deems necessary to perform the services required of CONSULTANT by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONSULTANT'S assistants in the performance of those services. CONSULTANT assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONSULTANT shall perform the services required by this Agreement at any place or location and at such times as CONSULTANT shall determine is necessary to properly and timely perform CONSULTANT'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONSULTANT exceed \$99,000.00.

B. Invoices

CONSULTANT shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONSULTANT has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A", Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONSULTANT of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONSULTANT shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONSULTANT, all fees, fines, licenses, bonds or taxes required of or imposed against CONSULTANT and all other of CONSULTANT'S costs of doing business. CITY shall not be

responsible for any expenses incurred by CONSULTANT in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONSULTANT

A. Tools and Instrumentalities

CONSULTANT shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONSULTANT is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONSULTANT agrees to provide workers' compensation insurance for CONSULTANT'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONSULTANT'S employees.

C. Indemnification of Liability, Duty to Defend

1. As to professional liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, to the extent arising or resulting directly or indirectly from any willful or negligent acts, errors or omissions of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

2. As to other liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONSULTANT shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis, including coverage for owned and non-owned automobiles, with a minimum combined single limit coverage of \$1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property,

including the loss of use thereof; and (b) Professional Liability Insurance (Errors & Omissions) with a minimum coverage of \$1,000,000 per occurrence or claim, and \$2,000,000 aggregate; provided however, Professional Liability Insurance written on a claims made basis must comply with the requirements set forth below. Professional Liability Insurance written on a claims made basis (including without limitation the initial policy obtained and all subsequent policies purchased as renewals or replacements) must show the retroactive date, and the retroactive date must be before the earlier of the effective date of the contract or the beginning of the contract work. Claims made Professional Liability Insurance must be maintained, and written evidence of insurance must be provided, for at least five (5) years after the completion of the contract work. If claims made coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the earlier of the effective date of the contract or the beginning of the contract work, CONSULTANT must purchase so called "extended reporting" or "tail" coverage for a minimum of five (5) years after completion of work, which must also show a retroactive date that is before the earlier of the effective date of the contract or the beginning of the contract work. As a condition precedent to CITY'S obligations under this Agreement, CONSULTANT shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONSULTANT under this Agreement may be assigned or subcontracted by CONSULTANT without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONSULTANT is not CITY'S employee, CONSULTANT shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONSULTANT acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONSULTANT'S payments;
- CITY will not make state or federal unemployment insurance contributions on CONSULTANT'S behalf;
- CITY will not withhold state or federal income tax from payment to CONSULTANT;
- CITY will not make disability insurance contributions on behalf of CONSULTANT;
- CITY will not obtain workers' compensation insurance on behalf of CONSULTANT.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONSULTANT and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONSULTANT'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONSULTANT. Such assignment shall not release CONSULTANT from any of CONSULTANT'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of Consultant's Business/ Death of Consultant.

CONSULTANT shall notify CITY of the proposed sale of CONSULTANT's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONSULTANT set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY' receipt of such notice of sale.

If CONSULTANT is an individual, this Agreement shall be deemed automatically terminated upon death of CONSULTANT.

B. Termination by City for Default of Consultant

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONSULTANT. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONSULTANT'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.
2. CONSULTANT'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONSULTANT shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONSULTANT. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONSULTANT'S default in the performance of this Agreement or material breach by CONSULTANT of any of its provisions, then in addition to any other rights and remedies CITY

may have, CONSULTANT shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONSULTANT for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONSULTANT all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONSULTANT, at the CONSULTANT'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONSULTANT to CITY.

D. Transition after Termination

Upon termination, CONSULTANT shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONSULTANT shall cease such work as soon as it is safe to do so. CONSULTANT shall incur no further expenses in connection with this Agreement. CONSULTANT shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONSULTANT's duties by any new consultant hired by the CITY to complete such services.

ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONSULTANT shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONSULTANT shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONSULTANT shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONSULTANT, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONSULTANT shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONSULTANT agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

F. Conflict of Interest

CONSULTANT certifies that to the best of its knowledge, no CITY employee or officer of any public agency interested in this Agreement has any pecuniary interest in the business of CONSULTANT and that no person associated with CONSULTANT has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONSULTANT for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A", Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

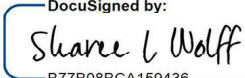
L. Waiver

CONSULTANT agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONSULTANT:

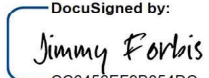
SDI PRESENCE, LLC

By:  12/6/2022
Name: Sharee Wolff
Title: Chief Financial & Administrative Officer

Social Security or Taxpayer
Identification Number 81-1357524

CITY:

CITY OF GILROY

By:  12/12/2022
Name: Jimmy Forbis
Title: City Administrator

Approved as to Form

DocuSigned by:

12/6/2022
197909EB5060470...
City Attorney

ATTEST:

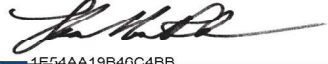
DocuSigned by:

12/12/2022
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City Clerk

EXHIBIT "A"

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONSULTANT shall provide the services indicated on the attached **Exhibit "B"**, Scope of Services ("Services"). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONSULTANT agrees to assign Scott Sanders, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONSULTANT shall commence the Services upon delivery to CONSULTANT of a written "Notice to Proceed", which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, Harjot Sangha shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONSULTANT or if otherwise delivered as provided in the **Section V.H.** ("Notices") of this **Exhibit "A"**.

B. COMPLETION OF SERVICES

When CITY determines that CONSULTANT has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONSULTANT has not completed all of such Services as required by this Agreement, CITY shall so inform CONSULTANT within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit "C"**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONSULTANT as provided for in **Article 4** of this Agreement.

Direct expenses are charges and fees not included in **Exhibit "B"**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONSULTANT shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONSULTANT represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT'S representations and warranties regarding its skills, qualifications and licenses. CONSULTANT shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONSULTANT shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY'S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT'S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONSULTANT

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years (from the date of final payment to CONSULTANT), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT, all of which shall be made available to CITY at the CITY's offices within five (5) business days after CITY's request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written and oral information developed or received by or for CONSULTANT and all other written and oral information submitted to CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONSULTANT'S disclosure thereof) shall be deemed confidential. CONSULTANT shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONSULTANT shall not be responsible for, and City shall indemnify CONSULTANT from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY: Harjot Sangha, Finance Director
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

CONSULTANT: Sharee Wolff, Chief Financial & Administrative
Officer
SDI Presence, LLC
200 E. Randolph Street, Suite 3550
Chicago, IL 60601

I. FEDERAL FUNDING REQUIREMENTS.

- ☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.
- ☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONSULTANT shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

EXHIBIT "B"**SCOPE OF SERVICES****Consulting Services:****1. Information Technology Consulting/Project Services as follows:**

- a. Information Technology Division Support - management, consultation, operational oversight, and guidance with regard to the Information Technology Division. Manage service delivery activities to help ensure resources are properly deployed to support business priorities as set by City Senior Executive Team.
- b. Staff Mentoring and Training - provide mentoring, guidance, and assistance to the Information Technology team, and, when appropriate, make recommendations regarding training opportunities that might assist in improving overall IT service delivery.
- c. Business Processes - Make recommendations regarding establishment and implementation of policies and procedures to streamline and improve business processes and technology service delivery.
- d. IT Service Delivery - Provide consultation to assist with IT service delivery management, problem resolution, and help identify potential IT service delivery alternatives/solutions.
- e. Technology Project Facilitation and Coordination - Provide guidance and oversight for technology projects, including assisting in and prioritizing resources.
- f. Other related projects as requested.

EXHIBIT "C"**MILESTONE SCHEDULE**

Services shall begin on or about December 6, 2022. Services shall be provided in the range of 24-32 hours per week depending upon the needs of the City. Depending upon weekly project/consulting hours, services under this agreement will be for approximately twelve weeks.

EXHIBIT "D"**PAYMENT SCHEDULE**

The City will be invoiced monthly based on an hourly rate of \$225.00 per hour and no more than 32 hours in any given week. Actual travel expenses will also be included in the monthly billing to include travel, meals, and hotel/extended stay not to exceed \$5,000 per month. Reasonable travel costs for the Gilroy area are expected and an itemized list of receipts will be provided with each invoice.



City of Gilroy

STAFF REPORT

Agenda Item Title:

Claim of Timothy Carthen (The City Administrator recommends a "yes" vote under the Consent Calendar shall constitute denial of the claim)

Meeting Date:

May 1, 2023

From:

Jimmy Forbis, City Administrator

Department:

Administrative Services

Submitted By:

LeeAnn McPhillips, Assistant City Administrator /
Administrative Services and Human Resources Director /
Risk Manager

Prepared By:

LeeAnn McPhillips, Assistant City Administrator /
Administrative Services and Human Resources Director /
Risk Manager

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Based on the recommendation from Municipal Pooling Authority (MPA) and/or legal counsel, this claim is recommended for rejection.

EXECUTIVE SUMMARY

Based on the recommendation from Municipal Pooling Authority (MPA) and/or legal counsel, the following claim is submitted to the City Council for rejection at the May 1, 2023 meeting:

- Claim of Timothy Carthen

Attachments:

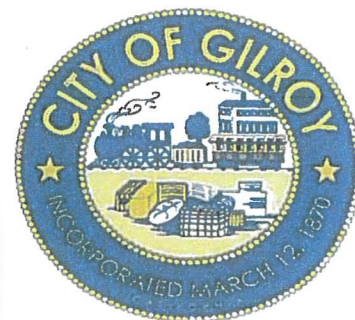
1. Claim of Timothy Carthen

File With:
City Clerk's Office
7351 Rosanna Street
Gilroy, CA 95020-6141

CITY OF GILROY

CLAIM FOR DAMAGES To Person Or Property

CLAIM No. _____

**INSTRUCTIONS**

1. Claims for death, injury to person or to personal property must be filed not later than six months after the occurrence. (Gov. Code Sec. 911.2)
2. Claims for damages to real property must be filed not later than 1 year after the occurrence. (Gov. Code Sec. 911.2)
3. Read entire claim before filing.
4. See page 2 for diagram upon which to locate place of accident.
5. This claim form must be signed on page 2 at bottom.
6. Attach separate sheets, if necessary, to give full details. SIGN EACH SHEET.

**TO: CITY OF GILROY**Date of Birth of Claimant
n/a

Name of Claimant

Occupation of Claimant

Timothy C. Carthen

n/a

Home Address of Claimant

City and State
Gilroy, CAHome Telephone Number
619-744-6835

1250 Longmeadow Drive

Business Address of Claimant

City and State

Business Telephone Number
619-744-6835Give address and telephone number to which you desire notices or communications to be sent regarding this claim:
PO BOX 7218, London, KY 40742; 619-744-6835

Claimant's e-mail address

beth.hurley@libertymutual.com

When did DAMAGE or INJURY occur?

Date 09/02/2021

Time Unknown

If claim is for Equitable Indemnity, give date claimant served with the complaint:
Date 02/22/2023

Names of any city employees involved in INJURY or DAMAGE:

Unknown

Where did DAMAGE or INJURY occur? Describe fully, and locate on diagram on reverse side of this sheet. Where appropriate, give street names and address and measurements from landmarks:

On the sidewalk in front of the property located at 1250 Longmeadow Drive, Gilroy, CA 95020.

Describe in detail the DAMAGE or INJURY occurred:

Injuries as alleged by Plaintiff Rissa Arellano. The complaint was filed on 09/02/2021 in the Santa Clara Superior Court against Defendants City of Gilroy and Timothy C. Carthen. Case number 22CV406722. Plaintiff Rissa Arellano alleges to have tripped and fallen due to an uneven portion on the sidewalk.

Why do you claim the city is responsible?

It is maintained The City of Gilroy is responsible for the care and maintenance of the subject sidewalk and/or the uneven portion of the subject sidewalk was due to City of Gilroy's failure to maintain the sidewalk.

Describe in detail each INJURY or DAMAGE:

Timothy C. Carthen is filing a claim for indemnity and apportionment of fault for the injuries and damages alleged by Plaintiff Rissa Arellano.

The amount claimed, as of the date of presentation of this claim, is computed as follows:

Damages incurred to date (exact):

Damage to property \$ _____
 Expenses for medical and hospital care \$ _____
 Loss of earnings \$ _____
 Special damages for \$ _____

 General damages \$ _____
 Total damages incurred to date \$ _____

Estimated prospective damages as far as known:

Future expenses for medical and hospital care . . . \$ _____
 Future loss of earnings \$ _____
 Other prospective special damages \$ _____
 Prospective general damages \$ _____
 Total estimate prospective damages \$ _____

Total amount claimed as of date of presentation of this claim: \$ Unknown at this time

Was damage and/or injury investigated by police? _____ If so, what city? _____
 Were paramedics or ambulance called? _____ If so, name city or ambulance _____
 If injured, state date, time, name and address of doctor of your first visit _____

WITNESSES to DAMAGE or INJURY: List all persons and addresses of persons known to have information:

Name Rissa Arellano Address c/o 3121 Summit Road Phone 650-968-9612
 Name _____ Address San Bruno, CA 94066 Phone _____
 Name _____ Address _____ Phone _____

DOCTORS and HOSPITALS:

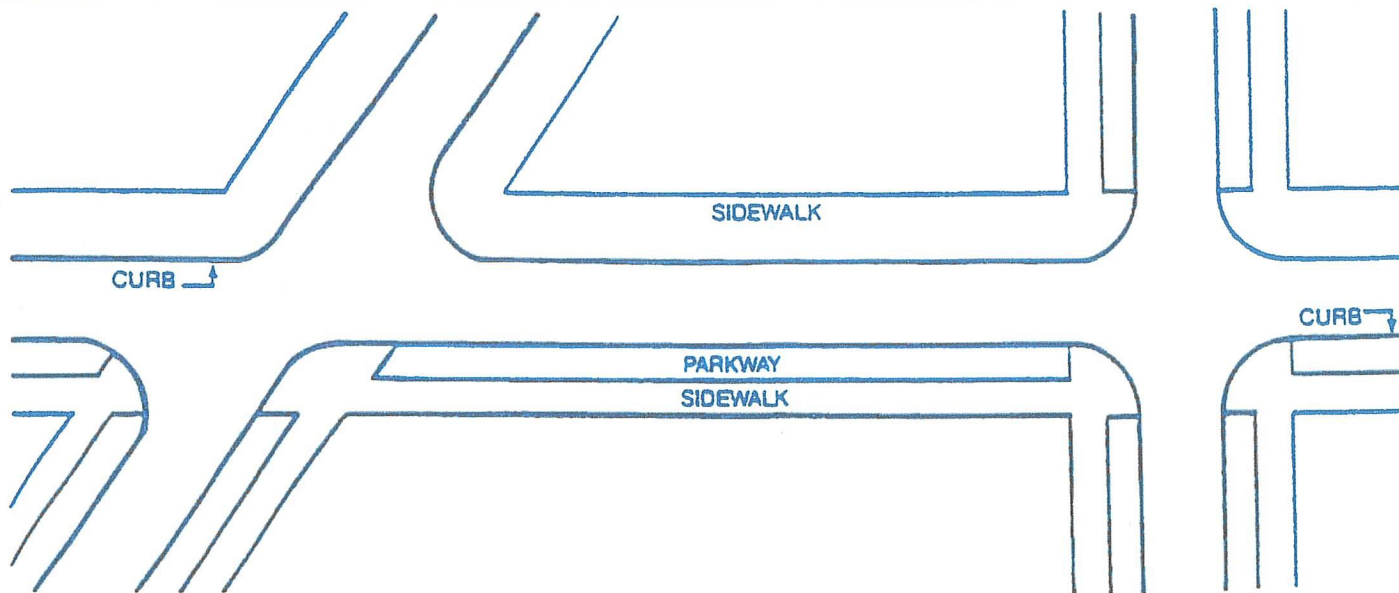
Hospital Unknown at this time Address _____ Date Hospitalized _____
 Doctor _____ Address _____ Date of Treatment _____
 Doctor _____ Address _____ Date of Treatment _____

READ CAREFULLY

For all accident claims, place on following diagram names of streets, including North, East, South and West: Indicate place of accident by "X" and by showing house numbers or distances to street corners. If City Vehicle was involved, designate by letter "A" location of City Vehicle when you first saw it, and by "B" location of yourself or your vehicle when you first saw City Vehicle:

Location of City at time of accident by "A-1" and location of yourself or your vehicle at the time of the accident by "B-1" and the point of impact by "X."

NOTE: If diagrams below do not fit the situation, attach hereto a proper diagram signed by claimant.



Signature of Claimant or person filing on his behalf giving relationship to Claimant:

Beth Hurley

Typed Name:

Beth Hurley, Esq.

Date:

03/17/2023

NOTE: CLAIMS MUST BE FILED WITH CITY CLERK (Gov. Code Sec. 915a). Presentation of a false claim is a felony (Pen. Code Sec. 72).



City of Gilroy

STAFF REPORT

Agenda Item Title:

Award the Purchase of a Type III Fire Engine in the amount of \$415,672.91 Utilizing Cal Fire Tag-On Contract No. 1-22-23-21B

Meeting Date:

May 1, 2023

From:

Jimmy Forbis, City Administrator

Department:

Administrative Services

Submitted By:

LeeAnn McPhillips, Assistant City Administrator /
Administrative Services and Human Resources Director /
Risk Manager

Prepared By:

LeeAnn McPhillips, Assistant City Administrator /
Administrative Services and Human Resources Director /
Risk Manager

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

1. Award the purchase of a Type III Fire Engine in the amount of \$415,672.91 utilizing Cal Fire Tag-On Contract No. 1-22-23-21B.
2. Authorize the City Administrator to execute the purchase contract documents.

EXECUTIVE SUMMARY

The FY 23 budget includes the purchase of a Type III Fire Engine. Staff recommends the purchase be completed via a Cal Fire tag-on bid available to the City of Gilroy per State of California Contract No. 1-22-23-21B in the amount of \$415,672.91.

BACKGROUND

The FY 23 budget includes the purchase of a Type III Fire Engine for the Gilroy Fire Department. When the budget was prepared in 2021, the plan was to obtain this apparatus by financing the purchase over five years. However, interest rates this year have not been as favorable as in past years, making this option less attractive.

Currently, interest rates for this type of purchase are approximately 5.5%. Given the overall cost of the vehicle and available funds in the FY 23 budget, staff is recommending purchasing the vehicle without financing.

A Type III engine provides several benefits for wildland firefighting operations. This vehicle has 4x4 off-road capabilities and can access areas that a Type I engine cannot. The Type III engine has mobile attack capabilities (the vehicle can be driven and extinguish fire simultaneously), thus saving critical time and preventing rapid fire spread. In addition, Type III meets the NFPA Standards for Structural Firefighting, so it can be safely and effectively used as a reserve engine if all Type I engines are out of service. Further, the Type III engine will provide the Gilroy Fire Department with the necessary apparatus to quickly and effectively access the wildland-urban interface areas that surround Gilroy. The apparatus can also be used during the rainy season to access areas that are subject to flooding or narrow dirt roads that are inaccessible in a Type I engine.

Golden State Fire Apparatus has provided the attached proposal for the Type III Engine. The vehicle will be built by Boise Mechanical Equipment (BME) Fire Trucks per the specifications noted in the attached proposal. The Type III is a 4x4 International Model 34 Fire Engine. Cal Fire has purchased a large quantity of these fire engines from this bid with good success. In addition, other agencies have successfully used the tag-on bid process to obtain this fire apparatus for their respective agencies due to the reputation of BME products and the competitive pricing. Tag-on bids have been completed by: the City of Seaside, Central Fire District of Santa Cruz County, North Monterey County Fire, Mariposa County Fire, Woodlake Fire District, and more.

The specifications have been reviewed by the Gilroy Fire Department to ensure that the specifications included in the proposal will meet the long-term needs of the Gilroy Fire Department. Staff recommends moving forward with the purchase. Once approved, building the Type III Fire Engine will take about 12-18 months.

This Type III fire engine will replace a current 1999 International 4x4 Type III Fire Engine that has reached/exceeded the end of its front-line use after twenty-four years of service. Best practices dictate keeping equipment in a front-line status for approximately fifteen years and then moving the apparatus to reserve status. The new Type III will provide modern equipment, safety, and reliability needed for wildland fire response. With the new engine procurement, the current Type III will move to reserve status once the new engine is delivered and placed into service.

ALTERNATIVES

The alternative would be to do a direct public bid process; however, staff does not recommend this alternative given that the tag-on process is more efficient, secures competitive pricing, and the BME 4x4 International Model 34 Fire Engine meets the needs of the Gilroy Fire Department and has a good track record as communicated by Cal Fire.

FISCAL IMPACT/FUNDING SOURCE

Fund 600 (Fleet Fund) has the resources and budget appropriations necessary for this procurement. If approved, a purchase order for \$415,672.91 will place the order, and funds will be paid out at the time of delivery.

NEXT STEPS

Upon Council approval, the Product Proposal document will be signed, and a purchase order will be prepared to finalize the purchase and start the build. Fire and Fleet personnel will monitor the construction of the Type III Fire Engine through delivery.

Attachments:

1. Golden State Fire Apparatus, BME Fire Trucks, LLC, 4x4 International Model 34 Fire Engine Proposal and Specifications Package (CalFire Tag-On per State Contract No. 1-22-23-21B)



GOLDEN STATE

FIRE APPARATUS

PREPARED ESPECIALLY FOR:

GILROY FIRE DEPARTMENT

One (1) BME Fire Trucks, LLC. 4X4 International Model 34 Fire Engine
(CAL FIRE Tag-On per State Contract No. 1-22-23-21B)



FIRE TRUCKS

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- 1** Product Proposal
- 2** Standard Terms and Conditions (Exhibit A)
- 3** Product Specifications (Exhibit B)
- 4** Product Warranties (Exhibit C)
- 5** Dealer Supplied Products and/or Services (Exhibit D)

1 PRODUCT PROPOSAL

PRODUCT PROPOSAL FOR:

Gilroy Fire Department

7070 Chestnut Street
Gilroy, CA 95020

Sales Consultant

Dewayne Young
dyoung@goldenstatefire.com
Mobile: (209) 777-0650

SUBMITTED DATE	EXPIRATION DATE	GSFA PROPOSAL #	MANUFACTURER BID #	MANUFACTURER	CONSORTIUM
04/07/2023	05/22/23	20407-23B	10026-0006	BME Fire Trucks, LLC.	NONE

Golden State Fire Apparatus, Inc. ("GSFA") is pleased to provide this proposal for the fire apparatus(es) and equipment identified below (the "**Product**") to GILROY FIRE DEPARTMENT ("**Customer**") for consideration. This proposal (this "**Product Proposal**") includes the following exhibits attached hereto: the Standard Terms and Conditions attached as Exhibit A (the "**Terms and Conditions**"); the Product Specifications attached as Exhibit B (the "**Specifications**"); the Product Warranties attached as Exhibit C; and the Dealer Supplied Products and/or Services attached as Exhibit D (the "**Dealer Supplied Products/Services List**") (all of the foregoing, collectively, the "**Agreement**"). Through its signature below or other Acceptance (as defined on page 2), Customer acknowledges having received and read, and agrees to be bound by, the Agreement. The Agreement shall be effective as of the latest date appearing the signature blocks below (the "**Executed Date**").

ITEM	PRODUCT DESCRIPTION	UNIT PRICE
A	One (1) BME Fire Trucks, LLC. 4X4 International Model 34 Engine (CAL FIRE Tag-On per State Contract No. 1-22-23-21B)	380,904.84
B	9.75% State Sales Tax	34,757.57
C	California Tire Fee	10.50
D	GRAND TOTAL PURCHASE PRICE	415,672.91

PAYMENT TERMS – Customer shall pay the total purchase price set forth directly above (the "**Grand Total Purchase Price**") (as such amount may be adjusted by Change Order in accordance with the Terms and Conditions) to GSFA at the time of GSFA's delivery of the applicable Product to Customer's address listed above (or Customer's pick up of such Product at GSFA's facilities, if approved by GSFA). GSFA shall have no obligation to deliver or permit pick up of the Product if Customer does not have full payment ready when the Product is complete and ready to deliver or pick up, as applicable.

MANUFACTURER – Customer acknowledges that GSFA is not an agent of the Product manufacturer identified above ("**Manufacturer**") and is not capable of binding Manufacturer. Within five (5) business days of the Executed Date, GSFA shall submit an order form to Manufacturer for the Product. GSFA's further performance under the Agreement is contingent upon Manufacturer's acceptance of such order form at the price and on the terms GSFA believed to be available when submitting this Product Proposal to Customer. If Manufacturer rejects such order as submitted or fails to respond to GSFA within a reasonable amount of time, GSFA shall notify Customer in writing, and unless GSFA and Customer otherwise agree in writing the Agreement shall then terminate and have no further force or effect.

PRODUCT COMPLETION – The Product shall be ready for final inspection by Customer at the manufacturing facility within approximately **12 to 18 MONTHS AFTER RECEIPT OF CHASSIS AT THE BME FIRE TRUCKS, LLC FACTORY** after the Executed Date. The foregoing estimate is provided as a good faith approximation as of the date of submission of this Product Proposal, and is subject to the Terms and Conditions.

PREDELIVERY SERVICE – If applicable, after transportation from the manufacturing facility and prior to final delivery or pick up, the Product shall receive those additional Products and/or services identified on the Dealer Supplied Products/Services List. It is estimated that such service will add approximately **0.5 to 1 MONTH(S)** to the above Product completion estimate. The foregoing estimate is provided as a good faith approximation as of the date of submission of this Product Proposal, and is subject to the Terms and Conditions.

PROPOSAL EXPIRATION – This Product Proposal supersedes any previous proposal(s) presented to Customer by GSFA and its employees and may be accepted by Customer on or before the Expiration Date identified above. Unless accepted by the Expiration Date, GSFA reserves the right to withdraw this Product Proposal or to alter its terms (including by providing updated Product pricing) prior to an order being accepted.

PURCHASE ORDER – If the Customer elects to issue a Purchase Order (PO) it shall be made out to: *Golden State Fire Apparatus, Inc. – 7400 Reese Road – Sacramento, CA 95828.*

ACCEPTANCE – ACCEPTANCE OF THIS PROPOSAL CREATES AN ENFORCEABLE BINDING AGREEMENT BETWEEN GSFA AND CUSTOMER. “**ACCEPTANCE**” MEANS THAT THE CUSTOMER DELIVERS TO GSFA: (A) A SIGNED COPY OF THIS PRODUCT PROPOSAL, OR (B) A SIGNED COPY OF A PURCHASE ORDER INCORPORATING THE AGREEMENT IN ITS ENTIRETY. ANY ADDITIONAL OR DIFFERENT TERMS, WHETHER CONTAINED IN CUSTOMER’S FORMS OR OTHERWISE PRESENTED BY CUSTOMER AT ANY TIME, ARE HEREBY REJECTED AND OF NO EFFECT UNLESS APPROVED IN WRITING SIGNED BY GSFA.

COUNTERPARTS - This Product Proposal may be executed in multiple counterparts, each of which shall be deemed an original (including copies sent to a party by electronic transmission) as against the party signing such counterpart, but which together shall constitute one and the same instrument. A signed copy of this Product Proposal delivered by facsimile, email or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Product Proposal. If this Product Proposal is returned to GSFA with the signature of Customer’s authorized representative but without an attestation or co-signers signature, then absent Customer’s written notice to the contrary, GSFA shall be entitled to rely on such single signature as sufficient evidence of the signatory’s authority to execute the Agreement and bind Customer thereby.

[Signature Page Follows]

INTENDING TO CREATE A BINDING AGREEMENT, Customer and GSFA have each caused this Product Proposal to be executed by their duly authorized representatives effective as of the Executed Date.

ACCEPTED AND AGREED TO BY CUSTOMER

AUTHORIZED CUSTOMER REPRESENTATIVE:

Signature

Print Name

Title

Date

ACCEPTED AND AGREED TO BY GSFA

AUTHORIZED GSFA REPRESENTATIVE:

Signature

Print Name

Title

Date

2 STANDARD TERMS AND CONDITIONS

Exhibit "A"

STANDARD TERMS AND CONDITIONS

1. Definitions.

- a. **"Agreement"** has the meaning given in the Product Proposal.
- b. **"Customer"** means the customer identified in the Product Proposal.
- c. **"Dealer Preparation,"** if applicable, means additional product(s) and/or services added by GSFA after Manufacturer's completion of the Product and prior to delivery, in accordance with the Dealer Supplied Products/Services List.
- d. **"Dealer Supplied Products/Services List"** means the Dealer Supplied Products and/or Services List attached to the Product Proposal as Exhibit D, which reflects all Dealer Preparation under the Agreement absent a valid Change Order.
- e. **"Grand Total Purchase Price"** means the total purchase price for the Product identified in the Product Proposal (subject to any adjustments required or permitted by these Terms and Conditions, including by the execution of a valid Change Order).
- f. **"GSFA"** means Golden State Fire Apparatus, Inc., a California corporation.
- g. **"Manufacturer"** means the person or persons, company, firm, corporation, partnership, or other organization identified in the Product Proposal as responsible for manufacturing the Product.
- h. **"Party"** or **"Parties"** means GSFA and/or Customer, as applicable.
- i. **"Prepayment Discount"** means a discount to the purchase price for the Product granted to Customer in connection with Customer's advance payment of the Grand Total Purchase Price (or portion thereof, as specified in the Product Proposal).
- j. **"Product"** means the fire apparatus(es) and any associated equipment listed in the Product Proposal and further described in the Specifications.
- k. **"Product Proposal"** means the GSFA proposal executed by Customer to which these Terms and Conditions are attached.
- l. **"Product Warranties"** means the Manufacturer warranties for the Product attached to the Product Proposal as Exhibit C.
- m. **"Specifications"** means the specifications for the Product attached to the Product Proposal as Exhibit B.
- n. **"Terms and Conditions"** means these Standard Terms and Conditions, which are attached to the Product Proposal as Exhibit A.

2. Purchase and Payment.

a. Purchase. Customer agrees to purchase the Product at the Grand Total Purchase Price (as such amount may be adjusted in accordance with these Terms and Conditions), pursuant to the payment terms set forth in the Product Proposal. The Grand Total Purchase Price is payable in U.S. dollars.

b. Contingency Reserve Fund. The Grand Total Purchase Price may include an amount to be set aside for the purpose of funding any future costs or financial obligations incurred by Customer under the Product Proposal or any valid Change Order (the **"Contingency Reserve Fund"**). If applicable, the amount of any required Contingency Reserve Fund will be set forth in either the Product Proposal or Exhibit D. The Contingency Reserve Fund may be withdrawn against by Customer or GSFA for the purpose of satisfying Customer's payment obligations under the initial Product Proposal or any valid Change Order (including, without limitation, a Change Order submitted by GSFA pursuant to Section 8.b). If a Contingency Reserve Fund is required under the Agreement, the amount of such fund is not intended as an estimate of the actual additional costs of contingencies, Change Orders, unforeseen items or other required work that may be incurred under the Agreement after submission of the Product Proposal to Customer, which amounts Customer acknowledges may exceed the Contingency Reserve Fund amount. The balance of any Contingency Reserve Fund will be credited against Customer's payment obligations, or otherwise returned to Customer within thirty (30) calendar days of delivery of all Products under the Agreement (provided that Customer has paid all amounts owed under the Agreement as of such date).

c. Prepayment Discount. If GSFA has granted Customer a Prepayment Discount, Customer must provide each associated prepayment (each, a “**Prepayment**”) within the time frame specified in the Product Proposal in order to receive such discount. Customer’s failure to timely make such Prepayment may result in: (i) GSFA’s termination of the Agreement; and/or (ii) Customer’s loss of the Prepayment Discount for the portion of the Grand Total Purchase Price represented by such outstanding Prepayment and the application of a late fee as set forth in Section 6, in each case in GSFA’s sole discretion.

d. State Sales Tax. Customer shall be responsible for the cost of state sales tax associated with, or attributable to, the Product. The taxes stated in the Product Proposal are subject to adjustment for the applicable state sales tax rate in effect at the time of delivery. Therefore, the sales tax set forth on the Product Proposal is only an estimate of such taxes and will be increased or decreased at the time of delivery if a change in the applicable sales tax rate has occurred, in which case Customer shall pay GSFA (or be refunded by GSFA) the difference in the applicable sales tax.

3. Product Completion Date. Within thirty (30) calendar days of the date on which the last required signatory executes the Product Proposal (such date, the “**Executed Date**”), GSFA shall submit to Customer a tentative Product completion date (which may differ from the Product completion estimate contained in the Product Proposal). Due to global supply chain constraints, any Product completion date contained herein, or in the Product Proposal, or otherwise provided to Customer, is a good faith estimate only as of the date provided to Customer, and merely an approximation based on current information available to GSFA and Manufacturer. Customer shall not be entitled to rely on any such estimate, and GSFA shall have no liability to Customer for a failure by GSFA or Manufacturer to meet any such estimate. All Product completion estimates are subject to modification and, if applicable, GSFA will provide updates to such estimates to Customer when available.

4. Stock / Demo Units. Notwithstanding any other provision contained in the Agreement (including Section 12 hereof concerning warranties), any Products constituting stock/demo unit(s) are sold to Customer on an as-is, first-come and first served-basis and GSFA makes no further representation or warranty to any customer with respect to such unit(s). Regardless of the terms of the Product Proposal, GSFA shall only be obligated to sell such stock/demo unit(s) to the first customer to enter into a purchase agreement with GSFA identifying such unit(s), and after the execution by GSFA of such agreement any subsequent purchase agreement (including the Agreement, as applicable) shall have no further force or effect with respect to such unit(s).

5. Multiple Unit Purchase. If the Grand Total Purchase Price includes pricing for multiple Products, the Product price stated in the Product Proposal shall only be valid if the quantity of Products being proposed are purchased at the same time, pursuant to the same Agreement. GSFA shall have no obligation to offer the same price for any Product if purchased by Customer pursuant to a later purchase agreement.

6. Late Fee; Storage Fee. A late fee equal to 0.033% of the outstanding portion of the Grand Total Purchase Price will be charged per calendar day for overdue payments beginning ten (10) calendar days after the payment is due and continuing for the first thirty (30) calendar days thereafter. After such thirty (30) calendar day period, the late fee shall increase to 0.044% per calendar day until payment of the outstanding portion of the Grand Total Purchase Price is received. If Customer is unable to satisfy the delivery requirements hereunder or is unwilling to take delivery of the Product, then GSFA shall be entitled to a storage charge running from the earlier of: (i) the date of delivery agreed to between GSFA and Customer (provided GSFA is willing and able to deliver the Product on such date), or (ii) twenty-one (21) calendar days after GSFA notifies Customer that the Product is available for delivery. The storage charge is equal to: (i) \$175.00 per calendar day per apparatus stored, or (ii) the actual charges incurred by GSFA with a third party for storage of the Product, whichever is greater. Such storage charge shall continue until the actual time of delivery and Customer’s possession of the Product, and any such storage by GSFA or such third party shall be at the sole risk of Customer.

7. Delivery; Inspection and Acceptance.

a. Delivery. Subject to Section 5 hereof, the Product is scheduled to be delivered to the location and within the time period specified in the Product Proposal. Such delivery date is an estimate, and GSFA is, notwithstanding this Section 7.a, not bound to such date unless it otherwise agrees in a separate writing to complete delivery by a date certain. For the avoidance of doubt, GSFA is not responsible for delivery delays caused by or because of actions, omissions or conduct of Customer, the Manufacturer, or their respective employees, affiliates, suppliers, contractors, and carriers. Risk of loss for the Product shall pass to Customer at the point and time of delivery (which shall include an attempted delivery by GSFA which cannot be completed due to any act of Customer). However, title to the Product shall only pass to Customer upon delivery if Customer has then fully paid GSFA all amounts due hereunder (including additional amounts due under any valid Change Order). Absent GSFA's separate written agreement, which it may or may not provide in its sole and absolute discretion, delivery of the Product will not occur before Customer has fully paid all amounts due under the Agreement and provided proof of insurance reasonably satisfactory to GSFA. If GSFA permits Customer to take possession of the Product, Customer may not mount equipment, conduct training, or place the Product into service until all amounts due under the Agreement have been paid. If Customer has ordered multiple Products, GSFA reserves the right to deliver such Products in installments and to separately invoice Customer for such Products.

b. Inspection and Acceptance. Upon delivery, Customer shall have ten (10) calendar days within which to inspect the Product for substantial conformance to the Specifications, and in the event of substantial non-conformance to the Specifications to furnish GSFA with written notice sufficient to permit GSFA to evaluate such non-conformance ("**Notice of Nonconformance to Specifications**"). Contingent upon part availability and Customer's cooperation, any Product not in substantial conformance to material Specifications shall be remedied by GSFA (by repair or replacement, at GSFA's election) within thirty (30) calendar days from GSFA's receipt of the Notice of Nonconformance to Specifications. In the event GSFA does not receive a Notice of Nonconformance to Specifications within ten (10) calendar days of delivery, the Product will be deemed to be in conformance with Specifications and accepted by Customer.

8. Changes to Agreement Terms.

a. Change Orders. The Customer may request that GSFA incorporate a change to the Product or the Specifications for the Product, or GSFA may submit changes to the Agreement required or permitted to be made by GSFA (pursuant to Section 8.b or otherwise) by delivering a written Change Order to the other party hereto, which shall include a description of the proposed change sufficient to permit the receiving party to evaluate the feasibility of such change (either, a "**Change Order**"). For any Change Order submitted by Customer, GSFA will provide Customer a written response (a "**Response**") stating (i) whether GSFA will accommodate such Change Order (which GSFA may decide in its sole and absolute discretion); and (ii) the terms of the modification to the order, including any increase or decrease in the Grand Total Purchase Price resulting from such Change Order, a date on which any increase in the Grand Total Purchase Price must be paid, and an estimate of any effect on production scheduling or delivery resulting from such Change Order. Customer shall have seven (7) calendar days after receipt of the Response to notify GSFA as to whether Customer desires to make the changes GSFA has approved in the Response. In the event Customer countersigns GSFA's Response, Customer shall pay the increase (or be refunded the decrease) in the Grand Total Purchase Price by the date specified in the Response. GSFA may also send Customer a Change Order to account for any changes to the Agreement required or permitted to be made by GSFA (including those changes required pursuant to Section 8.b hereof), and such Change Order shall be effective upon delivery to Customer unless Customer elects to terminate the applicable Product order under the Agreement in accordance with Section 9.

b. Additional Changes.

i. Component Price Volatility. GSFA shall not be responsible for any unforeseen price increase or surcharge enacted by suppliers of major components of the Product (including but not limited to commercial chassis, engine, transmission, and fire pump) after Customer becomes bound by the Agreement. Customer shall be responsible for all amounts arising from any price increases for major components of the Product (including all

associated taxes and fees thereon) occurring after the execution of the Agreement which increase the cost of the Product to GSFA, and such amounts will be documented on a Change Order adjusting the Grand Total Purchase Price accordingly. Customer shall pay any such price increase prior to Product delivery.

ii. New Legal Standards. In the event the Product design, materials or specifications require an alteration arising from new regulations issued by any governmental entity or trade association, including, but not limited to, the NFPA, DOT, and EPA, and such alteration increases the cost of the Product to GSFA, Customer shall be responsible for changes to the Grand Total Purchase Price arising from such alteration. GSFA shall promptly notify Customer when it becomes aware of any potential or required change in regulations occurring prior to delivery that would impact the Product purchased.

iii. Change Orders. Customer shall execute any Change Order submitted by GSFA documenting any of the changes required or permitted by Sections 8.b.i and 8.b.ii above (which shall, to the extent practicable, itemize any increases in the Grant Total Purchase Price and specify a commercially reasonable date by which Customer must pay such increase), unless Customer instead elects to terminate the applicable Product order under the Agreement within fifteen (15) calendar days of Customer's receipt of such Change Order and in accordance with Section 9. Absent such a termination, failure to execute a Change Order does not alter Customer's obligations under this Section 8.b.

c. Changes in Commercial Specifications. Specifications for all components of the Product manufactured by companies other than the Manufacturer are subject to change without notice. Specifications for such components will be as available at the time of manufacture of the Product. GSFA shall not be liable for any deviations in such specifications arising from a substitution of components or changes in the design of any component by their original manufacturer.

9. Termination.

a. By Customer. Customer may terminate a Product order identified in the Product Proposal or a Change Order by providing written notice to GSFA in accordance with Section 16 hereof. If Customer elects to terminate a Product order, Customer shall pay GSFA a cancellation fee as follows: (a) after the Product order is accepted and entered by GSFA, 10% of the portion of the Grand Total Purchase Price applicable to such Product (including all associated taxes, fees and costs) (such amount, the "**Product Purchase Price**"); (b) after completion of the pre-construction phase of the order process, 20% of the Product Purchase Price; and (c) after the requisition of any materials or commencement of any manufacturing or assembly of the Product by either GSFA or Manufacturer but before substantial completion of such Product, 50% of the Product Purchase Price. Customer shall not be permitted to terminate a Product order after substantial completion of manufacturing and assembly of such Product (excluding any Dealer Preparation or other pre-delivery services or untypical Product customization, if applicable). Notwithstanding the foregoing, if the applicable tier of cancellation fee is not sufficient to cover all actual costs and fees incurred by GSFA with Manufacturer in connection with Customer's termination of the Product order ("**Manufacturer Termination Fees**"), then in addition to such cancellation fee Customer shall pay the balance of all Manufacturer Termination Fees. If Customer received a Prepayment Discount, such discount shall not be considered for the purpose of calculating the above cancellation fee. The tier of cancellation fee applicable to any cancellation, as well as the determination of whether a Product has reached substantial completion, shall be in the sole and absolute discretion of GSFA. Customer may request a fee waiver, and GSFA, in its sole discretion, may agree to waive and/or adjust such fee. GSFA will return the balance of the Grand Total Purchase Price or Product Purchase Price, as applicable, within thirty (30) calendar days of the effective date of the cancellation of the Product order or termination of the Agreement.

Customer may terminate the Agreement for an Event of Default by GSFA after providing GSFA with written notice in accordance with Section 16 (which notice shall describe with reasonably particularity the Event of Default justifying such termination) if such Event of Default remains uncured (if capable of cure) thirty (30) days following GSFA's receipt of such notice; provided, however, that the foregoing cure period shall continue if and for so long as GSFA

has commenced and is continuing to undertake commercially reasonable efforts to cure such Event of Default as promptly as reasonably practicable.

b. By GSFA. GSFA may terminate the Agreement for an Event of Default by Customer after providing Customer with written notice in accordance with Section 16 (which notice shall describe with reasonable particularity the Event of Default justifying such termination) if such Event of Default remains uncured (if capable of cure) thirty (30) days following Customer's receipt of such notice; provided, however, that the foregoing cure period shall continue if and for so long as Customer has commenced and is continuing to undertake commercially reasonable efforts to cure such Event of Default as promptly as reasonably practicable. Notwithstanding the foregoing, GSFA may terminate the Agreement effective immediately upon written notice to Customer for Customer's failure to pay any amount owed under the Agreement when due.

Notwithstanding any other provision of this Agreement, if Customer terminates a Product order in accordance with Section 9.a above, GSFA may elect to instead terminate the Agreement upon notice to Customer in accordance with Section 16 hereof. If GSFA terminates the Agreement in accordance with this Section 9.b, Customer shall pay the applicable tier of cancellation fee for all Products pursuant to Section 9.a above as if Customer had elected to terminate each applicable Product order.

c. Based on Discontinuation or Cancellation by Manufacturer. In the event that Manufacturer cancels a Product order (provided that such cancellation is not the result of an act by Customer in violation of the Agreement) or discontinues the manufacture of a Product prior to its completion and delivery: (i) if such Product is the only Product contemplated under the Agreement, then the Agreement shall terminate; or (ii) if additional Products are contemplated under the Agreement, then only the Product order for the applicable cancelled or discontinued Product shall be terminated. Such Agreement termination or Product termination, as applicable, shall be effective upon GSFA's written notice to Customer of such cancellation or discontinuance in accordance with Section 16 hereof. GSFA's only obligation to Customer in such event shall be the return of any Prepayment paid by Customer for the cancelled or discontinued Product. For the avoidance of doubt, the cancellation fees contemplated in Section 9.a hereof shall not apply in the event of a termination pursuant to this Section 9.c.

10. Customer's Obligations. Customer shall provide its timely and best efforts to cooperate with GSFA and Manufacturer during the Product manufacturing process. Reasonable and timely cooperation includes, without limitation, Customer's providing timely information in response to any requests from Manufacturer or GSFA and the participation of Customer's authorized representatives in traveling to Manufacturer's facility for inspections and approval of the Product, including a final approval before the Product leaves Manufacturer's facility.

11. Representations and Warranties. Customer hereby represents and warrants to GSFA as of the Executed Date that the execution of the Agreement and the purchase of the Product(s) and performance of the other obligations of Customer under the Agreement have been approved by Customer in accordance with applicable general laws and, as applicable, Customer's charter, ordinances, purchasing policies, and other governing documents, and executed by the appropriate Customer employees, officials, and/or representatives, and funding for Customer's performance of its obligations under the Agreement has been duly budgeted and appropriated by Customer.

12. Standard Warranty. All applicable Manufacturer warranties are contained in the Product Warranties. Any additional warranties must be expressly approved in a writing signed by GSFA, and Customer acknowledges and agrees that Manufacturer will not be liable for any such additional warranties.

a. Disclaimer. OTHER THAN AS EXPRESSLY SET FORTH IN THE AGREEMENT, GSFA, ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, OR REPRESENTATIVES, DO NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE PRODUCT (WHETHER RELATING TO THE CONDITION OR QUALITY OF THE PRODUCT, OR OTHERWISE) PROVIDED HEREUNDER OR OTHERWISE REGARDING THE AGREEMENT (INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO ANY APPLICABLE DEALER PREPARATION), WHETHER ORAL OR WRITTEN, EXPRESS, IMPLIED OR STATUTORY. WITHOUT LIMITING THE FOREGOING, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, THE IMPLIED WARRANTY AGAINST INFRINGEMENT, THE

IMPLIED WARRANTY OR CONDITION OF FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE ARE EXPRESSLY EXCLUDED AND DISCLAIMED. STATEMENTS MADE BY SALES CONSULTANTS OR IN PROMOTIONAL MATERIALS DO NOT CONSTITUTE WARRANTIES.

b. Exclusions of Incidental and Consequential Damages. In no event shall GSFA be liable for consequential, incidental, or punitive damages incurred by Customer in connection with any matter arising out of or relating to the Agreement, or the breach thereof, even if GSFA has been advised of the possibility of such damages, and regardless of whether such damages arise out of breach of warranty, the Agreement, indemnity, whether resulting from non-delivery or from GSFA's own negligence, or otherwise, except and solely to the extent such damages arise from the gross negligence or willful misconduct of GSFA.

13. Default. The occurrence of one or more of the following events (each, an "**Event of Default**") shall constitute a default under the Agreement: (a) Customer's failure to pay any amounts due or to perform any of its obligations under the Agreement; (b) GSFA's failure to perform any of its obligations under the Agreement; (c) either Party becoming insolvent or becoming subject to bankruptcy or insolvency proceedings; (d) any representation made by either Party under the Agreement which is false in any material respect; (e) any action by Customer to dissolve, merge, consolidate or transfer a substantial portion of its property to another entity during the term of the Agreement; (f) any other material breach of the terms of the Agreement by a Party; or (g) a default or breach by Customer under any other agreement with GSFA or its affiliates.

14. Indemnification of GSFA. Customer shall indemnify, defend, and hold harmless GSFA, its agents, servants, successors and assigns from and against all losses, damages, injuries, claims, demands and expenses, including attorneys' fees and other legal expenses, of whatever nature ("**Damages**"), to the extent Damages arise out of or in connection with: (i) Customer's breach of the Agreement, or (ii) Customer's use, storage, or operation of the Product following delivery, regardless of where, how, and by whom operated (excluding any negligent operation by GSFA). The indemnification and assumptions of liability and obligation herein provided shall continue in full force and effect notwithstanding the termination of the Agreement, whether by expiration of time, by operation of law or otherwise. This provision is not intended to and shall not constitute the exclusive remedy of the Parties under the Agreement; the Parties may seek indemnity from one another under other legal principles, whether based in equity or law, so long as they do not nullify or cancel the effects of this paragraph.

15. Force Majeure. GSFA shall not be responsible nor deemed to be in default of any provision of the Agreement on account of delays in performance due to causes which are beyond GSFA's or Manufacturer's control and which make GSFA's performance impracticable, including but not limited to wars, insurrections, strikes or labor unrest, riots, fires, storms, floods, other acts of nature, explosions, earthquakes, accidents, any act of federal, state or local government, failure or delays in transportation, inability to obtain necessary labor, supplies or manufacturing facilities, supply chain issues, allocation regulations or orders affecting materials, equipment, facilities or completed products, failure to obtain any required license or certificates, acts of God or the public enemy or terrorism, failure of transportation, disease, pandemics or epidemics, quarantine restrictions, failure of vendors (due to causes similar to those within the scope of this clause) to perform their agreements or labor troubles causing cessation, slowdown, or interruption of work.

16. Notice. Any notices, requests, consents, claims, demands, waivers and other communications required or permitted to be given hereunder must be given in writing at the address of each Party set forth below, or to such other address as either Party may substitute by written notice to the other in accordance with this Section 16, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; or nationally recognized private express courier. All such communications will be deemed to have been given: (i) when delivered by hand (with written confirmation of receipt); (ii) on the third (3rd) calendar day after the date mailed, by registered, express or certified mail; or (iii) when delivered by the addressee if sent by a nationally recognized private express courier.

GSFA:

Golden State Fire Apparatus Inc.
7400 Reese Road
Sacramento, CA 95828

CUSTOMER:

To the address listed in the Product Proposal

17. Contradictions. In the event of a conflict between the Agreement and any Change Order, or between Change Orders, the terms of the latest executed Change Order shall control.

18. Manufacturer's Statement of Origin. It is agreed that the manufacturer's statement of origin ("**MSO**") for the Product covered by the Agreement, if applicable, shall be retained and remain in the possession of GSFA per California Department of Vehicles (DMV) directives. Notwithstanding the foregoing, GSFA shall provide Customer with the original MSO if the Customer is self-registering, and Customer shall comply with all good-faith Process of Duty and other DMV requirements applicable to the Product and retain its own MSO.

19. Assignment. The relationship of the Parties established under the Agreement is that of independent contractors and neither Party is a partner, employee, agent, or joint venturer of or with the other. Neither Party may assign its rights and obligations under the Agreement unless it has obtained the prior written approval of the other Party.

20. Governing Law; Jurisdiction; Disputes. Without regard to any conflict of laws provisions, the Agreement is to be governed by and under the laws of the state of California. Prior to taking any legal action that may and/or can arise out of the Agreement, the Parties shall first attempt mediation with an agreed upon mediator. If the Parties cannot agree upon a mediator within thirty (30) calendar days of the submission of written notice of a dispute in accordance with Section 16 hereof, if any disputed matter remain unresolved within thirty (30) calendar days of the commencement of discussions, or if any party refuses to meet, then either party may submit any remaining disputes concerning and/or claim regarding the Agreement and/or the terms and conditions herein to the Superior Court, County of Sacramento (and the parties expressly consent to exclusive personal jurisdiction and venue before such court).

21. Entire Agreement; Amendments. The Agreement, including the Product Proposal, its exhibits and all valid Change Orders, is the exclusive agreement between the Parties regarding the subject matter contained herein and therein. No change in, modification of, or revision of the Agreement shall be valid unless in writing and signed by duly authorized representatives of both Parties with authority to sign such amendments to the Agreement.

END OF STANDARD TERMS AND CONDITIONS

3 PRODUCT SPECIFICATIONS

Exhibit "B"

BME Fire Trucks LLC



FIRE TRUCKS

FOR

CITY OF GILROY FIRE DEPARTMENT

"CAL-FIRE" MODEL 34

SPECIFICATIONS ARE SUBJECT TO CHANGE PENDING ENGINEERING

BME Fire Trucks LLC

DETERMINATION OF APPARATUS WEIGHT

BME Fire Trucks, LLC. shall submit estimated "in-service" weight analysis required by applicable NFPA standards. This Excel computer weight analysis shall break down all major components of the apparatus and shall show the impact on percentage-of-load on the front and rear axles, total weight, and weight on each tire set.

The analysis shall evenly distribute the NFPA required minimum payload allowance or estimated equipment payload as provided by the purchaser into the specified compartments. The allowance for personnel, hose loads, water and foam fluids, and required NFPA equipment shall be outlined individually in the analysis and placed on the apparatus in its specific intended position.

CENTER-OF-GRAVITY ANALYSIS

BME Fire Trucks, LLC. shall perform an estimated center of gravity calculation as required by the applicable section of NFPA standards. This calculation shall include tilt angles, the estimated right to left load distribution, and load on each axle, including all specified major components.

LOW VOLTAGE TEST REQUIRMENTS

The fire apparatus low voltage electrical system shall be tested as required by this section and the test results shall be certified by the apparatus manufacturer. The certification shall be delivered to the purchaser with the documentation for the completed apparatus. The tests shall be performed when the air temperature is between 0 degrees Fahrenheit and 110 degrees Fahrenheit.

TEST SEQUENCE

The three tests defined below shall be performed in the order in which they appear. Before each test, the chassis batteries shall be fully charged until the voltage stabilizes at the voltage regulator set point and the lowest charge current is maintained for 10 minutes. The failure of any of these tests shall require a repeat of the test sequence.

RESERVE CAPACITY TEST

The chassis engine shall be started and kept running until the chassis engine and engine compartment temperatures are stabilized at normal operating temperatures and the chassis battery system is fully charged. The chassis engine shall be shut off and the minimum continuous electrical load shall be applied for 10 minutes. All electrical loads shall be turned off prior to attempting to restart the chassis engine. The chassis battery system shall then be capable of restarting the chassis engine. The failure to restart the chassis engine shall be considered a failure of this test.

ALTERNATOR PERFORMANCE TEST AT IDLE

BME Fire Trucks LLC

The minimum continuous electrical load shall be applied with the chassis engine running at idle speed. The chassis engine temperature shall be stabilized at normal operating temperature. The chassis battery system shall be tested to detect the presence of a chassis battery current discharge. The detection of chassis battery current discharge shall be considered a failure of this test.

ALTERNATOR PERFORMANCE TEST AT FULL LOAD

The total continuous electrical load shall be applied with the chassis engine running up to the engine manufacturer's governed speed. The test duration shall be a minimum of two hours. The activation of the electrical system load management system shall be permitted during this test. The activation of an alarm due to excessive chassis battery discharge, as detected by the system required by NFPA (current edition), or an electrical system voltage of less than 11.8 volts direct current for a 12 volt direct current nominal system, for more than 120 seconds, shall be considered a failure of this test.

LOW VOLTAGE ALARM TEST

Following the completion of the tests described above, the chassis engine shall be turned off. With the chassis engine turned off, the total continuous electrical load shall be applied and shall continue to be applied until the excessive battery discharge alarm activates. The chassis battery voltage shall be measured at the battery terminals.

The test shall be considered to be a failure if the low voltage alarm has not yet sounded 140 seconds after the voltage drops to 11.70 volts direct current for a 12 volt direct current nominal system. The chassis battery system shall then be able to restart the chassis engine. The failure of the chassis battery system to restart the chassis engine shall be considered a failure of this test.

The completed fire apparatus shall undergo a complete 12 volt electrical load and performance testing per applicable sections of NFPA standards with inspection and test sheets included in delivery documentation.

DOCUMENTATION

The apparatus manufacturer shall provide the results of the low-voltage electrical system performance test, certified in writing, with the documentation provided to the purchaser at the time of delivery of the completed apparatus.

The test results shall consist of the following documents:

- (1) Documentation of the electrical system performance tests.
- (2) A written electrical load analysis, including the following:
 - (a) The nameplate rating of the alternator.
 - (b) The alternator rating under the conditions specified in NFPA 1906 (current edition).
 - (c) Each of the component loads specified that make up the minimum continuous electrical load.

BME Fire Trucks LLC

- (d) Additional electrical loads that, when added to the minimum continuous electrical load, determine the total continuous electrical load.
- (e) Each individual intermittent electrical load.

TEST RESULTS

BME Fire Trucks LLC. shall provide results of the apparatus testing and shall certify the following:

The weight of the completed apparatus, when loaded to its estimated in service weight, does not exceed the GVWR and GAWR of the chassis.

The complete unit, when loaded to its estimated in service weight, meets the weight distribution and vehicle stability requirements, as defined in the current NFPA guidelines.

The unit meets all required federal standards pertaining to the manufacturer and completion of the apparatus and a label tag has been affixed to the apparatus by the manufacturer stating same.

BME Fire Trucks LLC. shall provide all testing results, including engine, speed, acceleration, road ability, braking, and auxiliary braking to the Purchaser at the time of delivery.

DELIVERY REQUIREMENTS

The bidder shall not be responsible for delays in delivery due to strikes, acts of God, failure of suppliers to deliver, chassis shortage and other reasons beyond the reasonable control of the builder. Should BME Fire Trucks, LLC. be unable to comply with the proposed delivery date, we shall immediately contact the purchaser regarding delay information and actions to be taken by the company.

This vehicle shall be F.O.B. the BME Fire Trucks facility in Boise Idaho. Dealer shall be responsible for arrangement of delivery from factory.

GENERAL WARRANTY PROVISIONS

All materials and workmanship herein specified, including all equipment furnished, shall be guaranteed for a period of one (1) year after the acceptance date of the apparatus, unless otherwise noted, with the exception of any normal maintenance services or adjustments which shall be required. Under this warranty, BME Fire Trucks, LLC. shall be responsible for the costs of repairs to the apparatus that have been caused by defective workmanship or materials during this period.

This warranty shall not apply to the following:

- Any component parts or trade accessories such as chassis, engines, tires, pumps, valves, signaling devices, batteries, electric lights, bulbs, alternators, and all other installed equipment and accessories, in

BME Fire Trucks LLC

as much as they are usually warranted separately by their respective manufacturers, or are subject to normal wear and tear.

- Failures resulting from the apparatus being operated in a manner or for a purpose not recommended by the apparatus manufacturer.
- Loss of time or use of the apparatus, inconvenience or other incidental expenses.
- Any apparatus which has been repaired or altered without written consent or outside of the apparatus manufacturer's factory and or authorized service center in any way that affects its stability, or which has been subject to misuse, negligence, or accident.
- Delivery of the apparatus to repair site.

DISCLAIMER

NO WARRANTIES ARE GIVEN BEYOND THOSE DESCRIBED HEREIN. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED. THE COMPANY SPECIFICALLY DISCLAIMS WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL OTHER REPRESENTATIONS TO THE USER/PURCHASER AND ALL OTHER OBLIGATIONS OR LIABILITIES. FURTHER, THE COMPANY EXCLUDES LIABILITY FOR CONSEQUENTIAL AND INCIDENTAL DAMAGES, ON THE PART OF THE COMPANY OR SELLER. No person is authorized to give any other warranties or to assume any liabilities on the Company's behalf unless made or assumed in writing by the seller; and no other person is authorized to give any warranties or to assume any liabilities on the seller's behalf unless made or assumed in writing by the seller.

OBTAINING SERVICE

Return the vehicle to any BME Fire Trucks, LLC. dealer/authorized service center; Return the vehicle to BME Fire Trucks, LLC. or contact BME Fire Trucks, LLC.. BME Fire Trucks, LLC. shall be solely responsible for determining the extent of repair under the terms of the warranty. Transportation costs shall be the responsibility of the purchaser.

MATERIAL AND WORKMANSHIP

All equipment provided shall be guaranteed to be new and of current manufacture, and unless specified otherwise, shall meet all requirements of these specifications and prevailing NFPA documents and be in condition at time of delivery for use as specified for this type of apparatus.

BME Fire Trucks LLC

All workmanship shall be of the highest quality and accomplished in a professional manner so as to insure a functional apparatus with a high quality aesthetic appearance.

The construction shall be rugged and ample safety factors shall be provided to carry the loads specified to meet both on and off road requirements.

The apparatus shall be designed and the equipment mounted with due consideration to the distribution of load between the front and rear axles, so all specified equipment, with a full complement of personnel, can be carried without damage to the apparatus.

BODY AND STRUCTURAL WARRANTY

BME Fire Trucks, LLC. shall warrant each new apparatus body, if used in a normal and reasonable manner, against structural defects caused by defects in material, design or workmanship for a period of ten (10) years, covering parts & labor to the original purchaser which shall start on day of acceptance.

This warranty shall not apply to:

- Normal maintenance services or adjustments
- To any vehicle which will have been repaired or altered outside of our factory in any way so as, in the judgment of BME Fire Trucks, LLC., to affect it's stability, nor which has been subject to misuse, negligence, or accident, nor to any vehicle made by us which will have been operated to a speed exceeding the factory rated speed, or loaded beyond the factory rated load capacity.
- Commercial chassis and associated equipment furnished with chassis, signaling devices, generators, batteries, or other trade accessories as they are usually warranted separately by their respective manufacturers.
- Shipping costs of parts or apparatus for purposes of repair or replacement of parts. This warranty is in lieu of all other warranties, expressed or implied. All other representations as to the original purchaser and all other obligations or liabilities, including for incidental or consequential damage on the company's behalf unless made in writing by the company.

DARLEY FIRE PUMP WARRANTY

A three (3) year warranty on the Darley fire pump shall be provided. The provisions of this warranty shall be described in the completed apparatus documentation.

PLUMBING WARRANTY

The stainless steel fire pump plumbing shall carry a ten (10) year parts and labor warranty against defects in

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workmanship and perforation corrosion.

AKRON VALVE WARRANTY

The Akron valves shall carry a ten (10) year parts and labor manufacturer's warranty. Provisions of this warranty shall be provided with the completed apparatus documentation.

WATER TANK WARRANTY

The polypropylene water tank that is specified to be supplied with this apparatus shall be warranted by the water tank manufacturer for a "lifetime" period from the date that the apparatus is put into service. The tank manufacturer shall repair, at no cost to the purchaser, any problems caused by defective materials and/or workmanship. The warranty shall cover the reasonable costs of removing the water tank from the apparatus and reinstalling it after the completion of the covered warranty repairs, but shall not cover any liability for the loss of service or downtime costs of the apparatus.

FOAM TANK WARRANTY

The foam tank shall carry a "lifetime" warranty against defects in workmanship and perforation corrosion. The provisions of this warranty shall be provided in the delivery documentation. The tank manufacturer shall repair, at no cost to the purchaser, any problems caused by defective materials and/or workmanship. The warranty shall cover the reasonable costs of removing the water tank from the apparatus and reinstalling it after the completion of the covered warranty repairs, but shall not cover any liability for the loss of service or downtime costs of the apparatus.

PAINT WARRANTY

BME Fire Trucks, LLC. shall provide a seven (7) year paint warranty which shall cover peeling and/or de-lamination of the top coat and other layers of paint, cracking or checking, loss of gloss caused by cracking, checking or chalking, and any paint failure caused by defective paint materials covered by the paint manufacturer's material warranty.

CHASSIS WARRANTY

The specified chassis shall be provided with the chassis manufacturer's warranty. The exact provisions of this warranty shall be supplied with the completed apparatus documentation.

APPARATUS OPERATION MANUAL(S)

BME Fire Trucks, LLC. shall provide (2) electronic apparatus operational manual(s) on a USB thumb drive.

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APPARATUS OPERATION MANUAL(S)

BME Fire Trucks, LLC. shall provide (2) printed apparatus operational manual(s).

APPARATUS DIMENSIONS

Wheelbase: 183 inches

Cab to center of rear axle: 64.10 inches

Overall length: 323 inches (with rear fold up step stowed)

Overall main body and cab height: Not to exceed 118 inches (unloaded).

Hose bed height, floor to ground: Not to exceed 92 inches (Fully Loaded)

Crosslay height, floor to ground: Not to exceed 78 inches (Fully loaded)

Minimum pump module/running board/under cab compartment ground clearance to be 20 inches

Angle of approach: 30° (Fully loaded)

Angle of departure: 20° (Fully loaded)

CHASSIS SPECIFICATIONS

Base Chassis, Model HV507 SFA with 183.00 Wheelbase, 64.10 CA, and 65.00 Axle to Frame

TOW HOOK, FRONT (2) Frame Mounted

AXLE CONFIGURATION {Navistar} 4x4

Notes

: Pricing may change if axle configuration is changed.

FRAME RAILS Heat Treated Alloy Steel (120,000 PSI Yield); 10.125" x 3.580" x 0.312" (257.2mm x 90.9mm x 8.0mm); 480.0" (12192) Maximum OAL

FRAME REINFORCEMENT Full Outer C-Channel, Heat Treated Alloy Steel (120,000 PSI Yield), 10.813" x 3.892" x 0.312" (274.6mm x 98.8mm x 7.9mm), 480.0" (12192mm) OAL

BUMPER, FRONT Swept Back 15-Degrees, Steel, for use with Front Frame Extensions, Heavy Duty

FRAME EXTENSION, FRONT Integral; 20" In Front of Grille

WHEELBASE RANGE 181" (460cm) Through and Including 205" (520cm)

AXLE, FRONT DRIVING {Meritor MX-12-120 EVO} Single Reduction, 12,000-lb Capacity, with Hub Piloted Wheel Mounting

BME Fire Trucks LLC

Notes

: Axle Lead Time is 90 Days

AXLE, FRONT DRIVING, LUBE {EmGard FE-75W-90} Synthetic Oil; 1 thru 29.99 Pints

SUSPENSION, FRONT, SPRING Parabolic Taper Leaf, Shackle Type, 12,000-lb Capacity, with Shock Absorbers

BRAKE SYSTEM, AIR Dual System for Straight Truck Applications

Includes

: BRAKE LINES Color and Size Coded Nylon

: DRAIN VALVE Twist-Type

: GAUGE, AIR PRESSURE (2) Air 1 and Air 2 Gauges; Located in Instrument Cluster

: PARKING BRAKE CONTROL Yellow Knob, Located on Instrument Panel

: PARKING BRAKE VALVE For Truck

: QUICK RELEASE VALVE On Rear Axle for Spring Brake Release: 1 for 4x2, 2 for 6x4

: SPRING BRAKE MODULATOR VALVE R-7 for 4x2, SR-7 with relay valve for 6x4/8x6

AIR BRAKE ABS {Bendix AntiLock Brake System} 4-Channel (4 Sensor/4 Modulator) Electronic Stability Program, with Automatic Traction Control

AIR DRYER {Bendix AD-IP} with Heater

BRAKE CHAMBERS, POSITION Rotated Forward and Up For Maximum Ground Clearance with 4x4

BRAKE CHAMBERS, FRONT AXLE {MGM} 20 SqIn

BRAKE CHAMBERS, REAR AXLE {Bendix EverSure} 30/36 SqIn Spring Brake

BRAKE, PARKING Manual Push-Pull Pneumatic Parking Brake

SLACK ADJUSTERS, FRONT {Haldex} Automatic

SLACK ADJUSTERS, REAR {Gunitex} Automatic

AIR COMPRESSOR {Cummins} 18.7 CFM

AIR DRYER LOCATION Mounted Inside Left Rail, Behind Transfer Case Mounting

AIR TANK LOCATION (2) Mounted Under Battery Box, Outside Left Rail, Back of Cab, Perpendicular to Rail

BME Fire Trucks LLC

DUST SHIELDS, FRONT BRAKE for Air Cam Brakes

DRAIN VALVE (3) Petcocks, for Air Tanks

DUST SHIELDS, REAR BRAKE for Air Cam Brakes

BRAKES, REAR {Meritor 16.5X7 P} Air S-Cam Type, Cast Spider, Cast Shoe, Double Anchor Pin, Includes Greaseable and Zinc Coated Anchor Pins, Size 16.5" X 7", 38,000-lb Capacity per Axle

BRAKES, FRONT {Meritor 16.5X5 Q-PLUS CAST} Air S-Cam Type, Cast Spider, Fabricated Shoe, Double Anchor Pin, Size 16.5" X 5", 14,700-lb Capacity

STEERING COLUMN Tilting

STEERING WHEEL 4-Spoke; 18" Dia., Black

STEERING GEAR {Sheppard M100} Power

DRIVELINE SYSTEM {Dana Spicer} SPL170 Main Driveline, 1710 Driveline to Transfer Case, SPL140 Driveline to Front Axle, for 4x4

AFTERTREATMENT COVER Polished Aluminum

EXHAUST SYSTEM Horizontal Aftertreatment System, Frame Mounted Right Side Under Cab, for Single Short Horizontal Tail Pipe, Frame Mounted Right Side Back of Cab, for All-Wheel Drive

ENGINE COMPRESSION BRAKE {Jacobs} for Cummins ISL/L9 Engines; with Selector Switch and On/Off Switch

SWITCH, FOR EXHAUST 3 Position, Momentary, Lighted Momentary, ON/CANCEL, Center Stable, INHIBIT REGEN, Mounted in IP Inhibits Diesel Particulate Filter Regeneration When Switch is Moved to ON While Engine is Running, Resets When Ignition is Turned OFF

ELECTRICAL SYSTEM 12-Volt, Standard Equipment

Includes

- : DATA LINK CONNECTOR For Vehicle Programming and Diagnostics In Cab
- : HAZARD SWITCH Push On/Push Off, Located on Instrument Panel to Right of Steering Wheel
- : HEADLIGHT DIMMER SWITCH Integral with Turn Signal Lever
- : PARKING LIGHT Integral with Front Turn Signal and Rear Tail Light
- : STARTER SWITCH Electric, Key Operated

BME Fire Trucks LLC

: STOP, TURN, TAIL & B/U LIGHTS Dual, Rear, Combination with Reflector
 : TURN SIGNAL SWITCH Self-Cancelling for Trucks, Manual Cancelling for Tractors, with Lane Change Feature
 : WINDSHIELD WIPER SWITCH 2-Speed with Wash and Intermittent Feature (5 Pre-Set Delays), Integral with Turn Signal Lever
 : WINDSHIELD WIPERS Single Motor, Electric, Cowl Mounted
 : WIRING, CHASSIS Color Coded and Continuously Numbered

CIGAR LIGHTER Includes Ash Cup

HORN, ELECTRIC (2) Disc Style

FOG LIGHTS Prewire; Includes Auxiliary Switch and Wiring to Front Bumper, for Driving Lights or Fog Lights Mounted by Customer

POWER SOURCE Cigar Type Receptacle without Plug and Cord

ALTERNATOR {Leece-Neville BLP4006HN} Brushless, 12 Volt, 325 Amp Capacity, Pad Mount, with Remote Sense

BODY BUILDER WIRING Rear of Frame; Includes Sealed Connectors for Tail/Amber Turn/Marker/ Backup/ Accessory Power/Ground and Sealed Connector for Stop/Turn

BATTERY SYSTEM {Fleetrite} Maintenance-Free, (3) 12-Volt 2850CCA Total, Top Threaded Stud

SPEAKERS (2) 6.5" Dual Cone Mounted in Both Doors, (2) 5.25" Dual Cone Mounted in Both B-Pillars

ANTENNA for Increased Roof Clearance Applications

RADIO AM/FM/WB/Clock/Bluetooth/USB Input/Auxiliary Input

BATTERY CABLES with 36" of Extra Length Coiled and Strapped Near Battery Box

DATA RECORDER Includes Display Mounted in Overhead Console

STOP-LIGHT WIRING MODIFIED Stop-Lights Turned on When Engine Compression Brake, Exhaust Brake or Retarder is Activated

WINDSHIELD WIPER SPD CONTROL Force Wipers to Slowest Intermittent Speed When Park Brake Set and Wipers Left on for a Predetermined Time

HORN, AIR Accommodation Package, Less Horn

BME Fire Trucks LLC

BATTERY BOX Steel, with Fiberglass Cover, 2-4 Battery Capacity, Mounted Left Side Perpendicular to Frame Rail, 53" Back of Cab

CLEARANCE/MARKER LIGHTS (5) {Truck Lite} Amber LED Lights, Flush Mounted on Cab or Sunshade

TEST EXTERIOR LIGHTS Pre-Trip Inspection will Cycle all Exterior Lamps Except Back-up Lights

HEADLIGHTS ON W/WIPERS Headlights Will Automatically Turn on if Windshield Wipers are turned on

STARTING MOTOR {Delco Remy 38MT Type 300} 12 Volt, Less Thermal Over-Crank Protection

COURTESY LIGHT (4) Mounted In Front & Rear Map Pocket Left and Right Side

INDICATOR, LOW COOLANT LEVEL with Audible Alarm

ALARM, PARKING BRAKE Electric Horn Sounds in Repetitive Manner When Vehicle Park Brake is "NOT" Set, with Ignition "OFF" and any Door Opened

INDICATOR, BATTERY WARNING Green BATTERY ON Indicator, Mounted on Left Side of Instrument Panel, To be Used with Factory Installed or Customer Mounted Battery Disconnect Switch

CIRCUIT BREAKERS Manual-Reset (Main Panel) SAE Type III with Trip Indicators, Replaces All Fuses

SWITCH, AUXILIARY Switch 40 amp Circuit for Customer Use; Includes Wiring Connection at Power Distribution Center (PDC) and Control in Cab

TURN SIGNALS, FRONT Includes LED Side Turn Lights Mounted on Fender

BATTERY DISCONNECT SWITCH 300 Amp, Disconnects Charging Circuits, Locks with Padlock, Cab Mounted

HEADLIGHTS Halogen, with Daytime Running Lights

FENDER EXTENSIONS Omit

LOGOS EXTERIOR Model Badges

LOGOS EXTERIOR, ENGINE Badges

INSULATION, UNDER HOOD for Sound Abatement

BME Fire Trucks LLC

GRILLE Stationary, Chrome

INSULATION, SPLASH PANELS for Sound Abatement

BUG SCREEN Mounted Behind Grille

FRONT END Tilting, Fiberglass, with Three Piece Construction, for WorkStar/HV

GRILLE EMBER SCREEN Mounted to Grille and Cowl Tray to Keep Hot Embers out of Engine and HVAC Air Intake System

PAINT SCHEMATIC, PT-1 Two Tone, Design 209.

PAINT IDENTITY, PT-2 Single Color, Instruction No. 936. Frame/Running Gear, Less Fuel Tanks

Includes

: NOTE: Battery Box, Air Tanks, Fuel Tanks, Steps and Straps NOT Painted

PAINT TYPE Base Coat/Clear Coat, 1-2 Tone

PAINT CLASS Premium Color

COMMUNICATIONS MODULE Telematics Device with Over the Air Programming; Includes Five Year Data Plan and International 360

PROMOTIONAL PACKAGE Government Silver Package

KEYS - ALL ALIKE, ID I-1003 Compatible with Z-001

CLUTCH Omit Item (Clutch & Control)

ANTI-FREEZE Red, Extended Life Coolant; To -40 Degrees F/ -40 Degrees C, Freeze Protection

BLOCK HEATER, ENGINE 120V/1000W, for Cummins ISB/B6.7/ISL/L9 Engines

Includes

: BLOCK HEATER SOCKET Receptacle Type; Mounted below Drivers Door

ENGINE, DIESEL {Cummins L9 350} EPA 2021, 350HP @ 2200 RPM, 1050 lb-ft Torque @ 1200 RPM, 2200 RPM Governed Speed, 350 Peak HP (Max)

BME Fire Trucks LLC

FAN DRIVE {Horton Drivemaster} Two-Speed Type, Direct Drive, with Residual Torque Device for Disengaged Fan Speed

Includes

: FAN Nylon

RADIATOR Aluminum, Cross Flow, Front to Back System, 1228 SqIn, with 1167 SqIn Charge Air Cooler, Includes In-Tank Oil Cooler

Includes

: DEAERATION SYSTEM with Surge Tank

: HOSE CLAMPS, RADIATOR HOSES Gates Shrink Band Type; Thermoplastic Coolant Hose Clamps

: RADIATOR HOSES Premium, Rubber

AIR CLEANER Dual Element

EMISSION, CALENDAR YEAR {Cummins L9} EPA, OBD and GHG Certified for Calendar Year 2023

THROTTLE, HAND CONTROL Engine Speed Control; Electronic, Stationary, Variable Speed; Mounted on Steering Wheel

FAN OVERRIDE Manual; with Electric Switch on Instrument Panel, (Fan On with Switch On)

ENGINE WATER COOLER {Sen-Dure} Auxiliary, For Use with Fire Trucks

CARB IDLE COMPLIANCE Engine Shutdown System Exempt Vehicles, Complies with California Clean Air Regulations

CARB EMISSION WARR COMPLIANCE for Cummins L9 Engines

ENGINE CONTROL, REMOTE MOUNTED Provision for; Includes Wiring for Body Builder Installation of PTO Controls and Starter Lockout, with Ignition Switch Control, for Cummins B6.7 and L9 Engines

TRANSMISSION, AUTOMATIC {Allison 3000 EVS} 6th Generation Controls, Close Ratio, 6-Speed with Double Overdrive, with PTO Provision, Less Retarder, Includes Oil Level Sensor

TRANSFER CASE {Meritor MTC-4210} 2-Speed, 10,000 lb-ft Torque Rating, Less PTO Provision, Electric Over Air Control, with Lube Pump

OIL COOLER, TRANSMISSION {Modine} Water to Oil Type

TRANSFER CASE LUBE {EmGard 50W} Synthetic; 1 thru 14.99 Pints

10026-0006

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BME Fire Trucks LLC

TRANSMISSION SHIFT CONTROL Column Mounted Stalk Shifter, Not for Use with Allison 1000 & 2000 Series Transmission

OIL COOLER, TRANSFER CASE with Oil Coolant Lines Routed to Oil Cooler 13WLP TRANSMISSION OIL Synthetic; 29 thru 42 Pints

ALLISON SPARE INPUT/OUTPUT for Emergency Vehicle Series (EVS), Rescue, Ambulance, Package Number 170

SHIFT CONTROL PARAMETERS {Allison} 3000 or 4000 Series Transmissions, Performance Programming

PTO LOCATION Dual, Customer Intends to Install PTO at Left and/or Right Side of Transmission

AXLE, REAR, SINGLE {Meritor RS-26-185} Single Reduction, 26,000-lb Capacity, R Wheel Ends . Gear Ratio: 5.86

Notes

: Axle Lead Time is 60 Days

SUSPENSION, REAR, SINGLE 31,000-lb Capacity, Vari-Rate Springs, with 4500-lb Capacity Auxiliary Multileaf Springs

SHOCK ABSORBERS, REAR (2)

AXLE, REAR, LUBE {EmGard FE-75W-90} Synthetic Oil; 40 thru 49.99 Pints

DEF TANK 9.5 US Gal (36L) Capacity, Frame Mounted Outside Left Rail, Under Cab

FUEL/WATER SEPARATOR {Racor 400 Series} 12 VDC Electric Heater, Includes Pre-Heater, with Primer Pump, Includes Water-in-Fuel Sensor, Mounted on Engine

FUEL TANK Top Draw, Non-Polished Aluminum, 26" Dia, 70 US Gal (265L), Mounted Left Side, Under Cab

AUXILIARY FUEL DRAW TUBE Located at Auxiliary Port on Fuel Tank

CAB Conventional 6-Man Crew Cab

AIR CONDITIONER with Integral Heater and Defroster

GAUGE CLUSTER Base Level; English with English Electronic Speedometer

BME Fire Trucks LLC

Includes

: GAUGE CLUSTER DISPLAY: Base Level (3" Monochromatic Display), Premium Level (5" LCD Color Display); Odometer, Voltmeter, Diagnostic Messages, Gear Indicator, Trip Odometer, Total Engine Hours, Trip Hours, MPG, Distance to Empty/Refill for
 : GAUGE CLUSTER Speedometer, Tachometer, Engine Coolant Temp, Fuel Gauge, DEF Gauge, Oil Pressure Gauge, Primary and Secondary Air Pressure
 : WARNING SYSTEM Low Fuel, Low DEF, Low Oil Pressure, High Engine Coolant Temp, Low Battery Voltage (Visual and Audible), Low Air Pressure (Primary and Secondary)

SEATBELT WARNING PREWIRE Includes Seat Belt Switches and Seat Sensors for all Belted Positions in the Cab and a Harness Routed to the Center of the Dash for the Aftermarket Installation of the Data Recorder and Seatbelt Indicator Systems, for 4 to 6 Seat Belts

GAUGE, OIL TEMP, AUTO TRANS for Allison Transmission

GAUGE, AIR CLEANER RESTRICTION {Filter-Minder} with Black Bezel, Mounted in Instrument Panel

IP CLUSTER DISPLAY On Board Diagnostics Display of Fault Codes in Gauge Cluster

SEAT, DRIVER {National Model HP} RollTek Equipped, Air Suspension, High Back, Vinyl Boxing/ Leather Facing, 2 Arm Rests, Isolator, 7" Adjuster, 3 Chamber Lumbar, 6 Way Front Adjust, 3 Way Rear Cushion Adjust,
 -3 to 14 Degree Back Angle Adjustment, Adj. Side Bolster, Back Cyclor, Non Swivel

GRAB HANDLE, EXTERIOR (2) Chrome, Towel Bar Type, with Anti-Slip Rubber Inserts, for Cab Entry Mounted Left and Right Side at B-Pillar

GRAB HANDLE, ADDITIONAL EXT (2) Chrome, Towel Bar Type, with Anti-Slip Rubber Inserts, Mounted Left and Right Side, Rear of Rear Doors, for Crew Cab

SEAT, REAR {National} BENCH; Full Width; Vinyl, with Fixed Back and Two Integral Outboard Headrests

MIRRORS (2) C-Loop, Power Adjust, Heated, LED Clearance Lights, Bright Heads and Arms, 7.5" x 14" Flat Glass, Includes 7.5" x 7" Convex Mirrors, for 102" Load Width

Notes

: Mirror Dimensions are Rounded to the Nearest 0.5"

SEAT, PASSENGER {National Model HP} RollTek Equipped, Air Suspension, High Back, Vinyl Boxing/ Leather Facing, 2 Arm Rests, Isolator, 7" Adjuster, 3 Chamber Lumbar, 6 Way Front Adjust, 3 Way Rear Cushion Adjust,
 -3 to 14 Degree Back Angle Adjustment, Adj. Side Bolster, Back Cyclor, Non Swivel

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SEAT BELT All Red; 4 to 6

CAB INTERIOR TRIM Classic, for Crew Cab

Includes

: CONSOLE, OVERHEAD Molded Plastic with Dual Storage Pockets, Retainer Nets and CB Radio Pocket;
Located Above Driver and Passenger

: DOME LIGHT, CAB Door Activated and Push On-Off at Light Lens, Timed Theater Dimming, Integral to
Overhead Console, Center Mounted

: SUN VISOR (2) Padded Vinyl; 2 Moveable (Front-to-Side) Primary Visors, Driver Side with Toll Ticket Strap

MONITOR, TIRE PRESSURE Omit

CAB SOUND INSULATION Includes Dash Insulator and Engine Cover Insulator

HOURLMETER, PTO for Customer Provided PTO; with Indicator Light and Hourmeter in Gauge Cluster
Includes Return Wire for PTO Feedback Switch

CAB REAR SUSPENSION Air Bag Type

WINDOW, MANUAL (4) and Manual Door Locks, Front and Rear Doors, Left and Right

INSTRUMENT PANEL Flat Panel

ACCESS, CAB Steel, Driver & Passenger Sides, Two Steps per Door, for use with Crew Cab

STEP, STANDARD, OMIT Driver & Passenger Sides, Omit Rear Steps for use with Crew Cab

WHEELS, FRONT {Accuride 43644} DISC; 22.5x8.25 Rims, Standard Polish Aluminum, 10-Stud, 285.75mm
BC, Hub-Piloted, Flanged Nut, with Steel Hubs

WHEELS, REAR {Accuride 43644} DUAL DISC; 22.5x8.25 Rims, Standard Polish Aluminum, 10-Stud,
285.75mm BC, Hub-Piloted, Flanged Nut, with Steel Hubs

(2) TIRE, FRONT 12R22.5 Load Range H XDN2 (MICHELIN), 483 rev/mile, 75 MPH, Drive

(4) TIRE, REAR 12R22.5 Load Range H XDN2 (MICHELIN), 483 rev/mile, 75 MPH, Drive

MISCELLANEOUS Pierce Red 277 main/lower color PPG-76042 or SIK-PBT3004) Pierce White 267
secondary/upper color PPG-911004 or SIK-FRE4003)

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BME Fire Trucks LLC

WARRANTY Standard for HV507, HV50B, HV607 Models, Effective with Vehicles Built July 1, 2017 or Later, CTS-2025A

CARB COMPANION PLAN {Navistar} for CARB B6.7 and L9 Engines

4yr/Unlimited Mile Extended Warranty Covering A/C

CAB SEATING AND WEIGHT ALLOWANCE

A warning label shall be installed in the cab to indicate seating positions for four (4) people. A weight allowance of 250 pounds shall be calculated for each person.

LABELS, STANDARD PACKAGE SET

A standard set of labels shall be provided and installed on the inside of chassis cab area. The labels shall contain the required information based on the applicable components for the apparatus.

DATA PLAQUE

A data plaque shall be provided and installed on the inside of the driver's door. The data plaque shall contain the required information based on the applicable components for the apparatus:

- Engine oil
- Engine coolant
- Chassis transmission fluid
- Drive axle lubricant
- Power steering fluid
- Pump, generator, or other component lubrications
- Other NFPA applicable fluid levels or data as required
- Paint manufacturer, type, and color number
- Tire Speed Ratings

Location shall be in the driver's compartment or on the driver's door.

DIESEL ONLY LABEL

The fuel tank shall be labeled with a "Diesel Only" label that is green in color.

HOT EXHAUST LABEL

A "CAUTION HOT EXHAUST" label will be placed directly over the exhaust outlet on the apparatus body.

BME Fire Trucks LLC

WARNING LABEL -- NO RIDING ON REAR

A warning label stating: "WARNING: DO NOT RIDE ON REAR STEP WHILE VEHICLE IS IN MOTION. DEATH OR SERIOUS INJURY MAY RESULT" shall be installed on the rear of the apparatus. The label shall be applied to the vehicle at the rear step area. The label shall warn personnel that riding in or on these areas, while the vehicle is in motion, is prohibited.

WARNING LABEL -- SEAT BELT USAGE

A warning label, stating: "WARNING CRASH HAZARD OCCUPANTS MUST BE SEATED AND BELTED WHEN VEHICLE IS IN MOTION..." shall be provided in the apparatus cab interior. This label shall be located so that it is visible from all seating positions.

LOUD NOISE WARNING LABEL

A final stage manufacturer shall install "hearing loss" potential warning labels on the vehicle in any areas or fixed equipment that produces excessive noise levels. (Exhaust outlet, sirens and air horns shall not be required for such equipment.)

AIR FILTER EMBER PROTECTION SCREEN WARNING LABEL

A warning label, stating: "THIS VEHICLE HAS AN AIR INTAKE EMBER SCREEN WHICH REQUIRES PERIODIC INSPECTION & CLEANING" shall be provided and installed in the apparatus cab interior.

FRESH AIR EMBER SEPARATOR WARNING LABEL

A warning label, stating: "THIS APPARATUS IS EQUIPPED WITH A CAB FRESH AIR INTAKE EMBER PROTECTION SCREEN. ROUTINE INSPECTION IS REQUIRED." shall be provided and installed in the apparatus cab interior.

WARNING LABEL -- DO NOT WEAR HELMET

A warning label, stating: "CAUTION: DO NOT WEAR HELMET WHILE SEATED" shall be provided in the apparatus cab interior. This label shall be located so that it is visible from all seating positions.

MANUFACTURER LOGO

The apparatus shall include a BME logo plaque which shall be affixed at the rear of the apparatus.

The BME plaque shall feature white reflective material on the outside of the Maltese cross and red reflective material in the middle.

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FRONT TOW PLATE

A horizontal full frame width, 3/4-inch thick steel plate, center pull, front tow eye shall be furnished and installed through or below the front bumper. The tow eye plate shall be triangle shaped extended 6 inches beyond the front bumper with a 3-inch X 4-inch rectangle tow eye.

The tow eye shall be braced and gusseted to prevent frame rail or bumper damage and bolted to the front frame rail web with eight (8) Grade 8 frame bolts and lock nuts.

The tow plate shall to be sprayed with black durabak.

FRONT RECEIVER

There shall be one 2" receiver hitch on the front of the apparatus. The receiver shall be mounted off set as to prevent towing use.

REAR RECEIVER

There shall be one 2" receiver hitch on the rear of the apparatus. The receiver shall be mounted off set as to prevent towing use.

REAR BUSTLE

A single, frame mounted, 3-inch X 4-inch diameter, rear towing eye shall be provided. It shall be manufactured from 3/4-inch thick steel plate and bolted between the rear frame rail webs with a minimum of eight (8), four (4) on each side, SAE Grade 8 frame bolts and lock nuts.

The tow eye shall be braced and gusseted to prevent damage to the frame rails, bumper or apparatus body while being towed from various angles. Access to the tow eye shall be below the bumper and designed not to interfere with the required angle of departure. The bustle shall be painted job color.

FRONT FRAME EXTENSION

The front frame rails shall be extended 16" ahead of the cab grill or fender area.

BUMPER PLATFORM

The front bumper extended frame rails shall feature an overlay constructed of .125 inch, 5052 grade, aluminum embossed diamond plate which shall offer space for mounting components necessary to the apparatus. The bumper extension shall measure approximately sixteen (16) inches from the cab to the front face of the extension and shall be approximately eight (8) inches in height.

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BUMPER

There shall be an International 15 degree bumper installed on the apparatus.

FRONT BUMPER COLOR

The front bumper shall be painted job color.

BUMPER SIDE WINGS

The bumper shall have steel side wings.

FRONT BUMPER WINGS COLOR

The front bumper wings shall be painted job color.

DRIVERS SIDE -- FRONT BUMPER COMPARTMENT

One (1) recessed hose storage compartment shall be installed in the drivers side of the bumper. The compartment shall be constructed of smooth aluminum. The floor of the compartment shall have drain holes provided.

BUMPER COMPARTMENT NYLON HOLD DOWN STRAP

One (1) nylon strap with a buckle shall be installed on the specified front bumper compartment. The nylon strap shall act as a hold down mechanism for the hose in the compartment.

The straps shall be black in color.

BUMPER COMPARTMENT GRATING

The specified bumper compartment shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

The specified Dri-Dek grating shall be black in color.

CENTER -- FRONT BUMPER COMPARTMENT

One (1) recessed hose storage compartment shall be installed in the center front bumper. The compartment shall be constructed of smooth aluminum. The floor of the compartment shall have drain holes provided.

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BUMPER COMPARTMENT DOOR

An aluminum tread plate door shall be installed on the specified front bumper compartment. The non-skid surface door shall have a stainless steel hinge at the rear, latch, and hold open device installed.

The specified door(s) shall have a Polished stainless-steel D-ring door handle.

BUMPER COMPARTMENT GRATING

The specified bumper compartment shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

The specified Dri-Dek grating shall be black in color.

PASSENGER SIDE -- FRONT BUMPER COMPARTMENT

One (1) recessed hose storage compartment shall be installed in the passenger side of the bumper. The compartment shall be constructed from smooth aluminum. The floor of the compartment shall have drain holes provided.

BUMPER COMPARTMENT NYLON HOLD DOWN STRAP

One (1) nylon strap with a buckle shall be installed on the specified front bumper compartment. The nylon strap shall act as a hold down mechanism for the hose in the compartment.

The straps shall be black in color.

BUMPER COMPARTMENT GRATING

The specified bumper compartment shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

The specified Dri-Dek grating shall be black in color.

BUMPER DISCHARGE SWIVEL STOPPER

There shall be a swivel elbow stopper installed just behind the front discharge(s).

AIR HORN

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One (1) Buell brand, Model #1063 15" air horn shall be provided and mounted on the frame rail of the passenger's side frame, behind the bumper.

AIR HORN FOOT SWITCH

One (1) foot switch shall be provided and installed. The foot switch shall be located on the driver's side of the floor and shall activate the air horn system.

AIR HORN PUSH BUTTON SWITCH

One (1) push button switch shall be provided on the pump panel. The switch shall activate the air horn system.

EXHAUST SYSTEM MODIFICATION

The chassis exhaust system shall be modified to exit on the passenger side of the apparatus ahead of the rear wheel. The exhaust pipe modification shall be made from Stainless Steel and shall have an exhaust hanger every 12 inches.

EXHAUST HEAT WRAP

The exhaust pipe shall be wrapped with heat wrap from the diesel particulate filter to just shy of the end of the tailpipe.

BUMPER BOX PROTECTIVE FLAP

The protective flap shall be a cut down mud flap installed on the rear edge of the front bumper to eliminate debris from being deposited on the top of the front bumper and in the hose boxes.

REAR MUD FLAPS

The chassis shall be supplied with mud flaps with BME's logo. The mud flaps shall be installed behind the rear wheels.

DRIVER SIDE CAB STEP

The apparatus shall be equipped with a chassis fuel tank and step area. The fuel tank and step area shall be located on the drivers side of the commercial chassis. The fuel tank shall be covered with aluminum tread plate.

DRIVER'S SIDE UNDER CAB COMPARTMENT

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The apparatus shall be equipped with an enclosed stainless steel compartment located under the crew door on the left side of the cab. The compartment shall measure approximately 36" wide x 18" high x 21" deep with a hinged aluminum door and a D-ring style latch.

The doors shall be painted job color.

BRASS BOX SLIDE TRAY

The left under cab compartment shall have these additional items installed, a 10-gauge reinforced plain anodized aluminum sliding drawer-type tray with a 4-inch vertical flange on all sides to be utilized for the storage of nozzles and adapters.

The tray shall utilize the maximum available space within this compartment and have extra heavy duty 500 pound lock-in/lock-out roller glides with stops to prevent it from sliding all the way out and to hold it securely in place when the compartment door is opened or closed.

The brass box tray shall feature adjustable 16 section slotted 4-inch high "egg-crate" divider designed for vertical storage of various nozzles and adapters.

COMPARTMENT LIGHTING

One (1) Code 3 800 Series Corner LED lights shall be installed in the specified compartment(s).

COMPARTMENT LIGHT SWITCHES

Each interior compartment light shall be automatically controlled by a door activated "On-Off" switch.

PASSENGER'S SIDE UNDER CAB COMPARTMENT

The passenger side under cab compartment shall be mounted below the rear cab doors in front of the relocated battery box, the compartment shall be made from stainless steel and have provisions to mount the upper and lower steps to it. The box and door shall be painted job color and shall have an aluminum diamond plate over lay that covers the top and both sides.

COMPARTMENT LIGHTING

One (1) Code 3 800 Series Corner LED lights shall be installed in the specified compartment(s).

COMPARTMENT LIGHT SWITCHES

Each interior compartment light shall be automatically controlled by a door activated "On-Off" switch.

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CAB STEPS

Aggressive, extruded aluminum surfaces shall be installed on each of the cab steps areas.

Specified part shall include White reflective striping.

CAB DOOR REFLECTIVE PANELS

The cab doors shall include reflective trim installed inside each door.

Specified part shall include Red and White DOT approved reflective striping.

REAR AIR RIDE SEATS

CAB SEATING

The apparatus shall be equipped with two (2) Bostrom Sierra 100 air ride seats. The seats shall have an inside arm rest.

The specified seat(s) covers shall be dark grey vinyl.

CAB SEATING-FRONT

There shall be two (2) National Model HP with RollTek equipped mounted in the front drivers and passenger locations.

The seats shall feature:

- Vinyl boxing/leather facing
- Two (2) arm rests
- Isolator
- 7" adjustment
- Three (3) chamber lumbar support
- 6-way front adjust
- 3-way rear cushion adjust
- -3 to 14 degree back angle adjustment
- Side bolster, back cyclor
- Non swivel

REAR WALL ALUMINUM PLATE - FULL HEIGHT

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Behind the rear seat mounted vertically on the inside rear wall of the cab a 1/4 inch aluminum sheet that is approximately 50 inches high by 60 inches wide will be mounted in the center resting on the floor to the rear wall of the cab inside with eight (8) 1/4 inch bolts with nutserts on the double wall supports.

This piece of aluminum will be centered, and the mounting bolts will not go through the outside of the cab. This piece of aluminum will be for hanging AVL electrical components after delivery. This aluminum piece will completely cover the rear window for safety.

There will be a sticker in the middle of the aluminum cover for the rear window that will state do not drill in red one inch letters.

FAN CLUTCH LOCK UP

The fan clutch shall lock up when the apparatus is shifted into pump mode.

AIR HOSE OUTLET

There shall be one (1) female quick connect air outlet provided and installed. The quick connect fitting shall provide connection to a utility air hose and shall be located on the drivers side pump operator's panel. There shall be a shut off located at the tank.

AIR TANK RELOCATION

The air tanks shall be relocated to the rear of the truck between the frame rails.

REMOTE MOUNT FRONT AXLE BREATHER HOSE

The front axle shall have a remount mount breather with hose, and have a metal 1/4" (LDI Industries 1U573 or equivalent) style vent will be supplied and gain two of lift and be mounted to the firewall on passenger side.

BATTERY RELOCATION

The chassis batteries are to be relocated to the passenger side of the chassis, below the rear cab door in the O.E.M. battery box, aft of the under cab compartment. The box shall have an aluminum diamond plate lid, and have provisions to mount an upper cab step to it.

UNDERHOOD LIGHTS

There shall be two (2) Tecniq LED light(s) installed under the hood of the chassis. Lights shall have local switching on the driver side under the hood.

AIR FILTER EMBER PROTECTION SCREEN AND WARNING LABEL

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The chassis air intake shall be protected by an ember guard of 18 Mesh, 0.017-inch wire diameter, and a maximum mesh opening of 0.039 inches. The ember guard shall be sized to fit and located at the intake opening. The screen shall be readily accessible for inspection and maintenance. The ember guard shall maintain a minimum ½ inch separation from the air filter.

EMBER SEPARATOR -- FRESH AIR INTAKE TO CAB

The cabin air filter shall be protected by an ember guard with a maximum mesh opening of 0.039 inches.

EMBER SEPARATOR

The final stage manufacturer shall install a stainless steel ember separator within the fire pump engine air intake system.

FUEL TANK SKID PLATE

A heavy duty removable skid plate shall be fastened to the bottom side of the fuel tank. The skid plate shall have the front and rear sides turned up to prevent digging into the ground when the apparatus is in off road conditions.

OEM TINTED CAB WINDOWS

The cab windows shall remain as tinted by the OEM chassis manufacturer for UV resistance only, no aftermarket tinting shall be done.

EXTERIOR CAB TRIM

A rubber debris skirt will be installed to prevent debris and embers from entering between the cab and frame. The debris skirt will be attached with a 12 gauge stainless steel trim piece the full length along the lower cab seam below the cab doors. The trim shall be fastened to the body seam with evenly spaced 10/32 stainless steel Phillips head machine screws and nylock nuts.

AIR, FUEL, ELECTRICAL LINE PROTECTION

All air lines, fuel lines and electrical harnesses below the chassis frame rails shall be protected with fire resistive sleeves.

FUEL TANK VENTING

The O.E.M fuel tank vent line shall be extended from the fuel tank and vented to the atmosphere. The vent line shall extend vertically from the tank to the bottom of the cab rear window and then bend 180 degrees towards the ground. A vent plug orifice (#60 drill size) shall be installed into the upper end of each line. No fuel tank roll

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over protection check valves shall be removed from the fuel system. Any chassis fuel system modifications shall be fully compliant CARB regulations, CVC and FMVSS.

All fuel vent lines shall be copper, steel, or Aeroquip hose, and shall be loomed, “grommited”, and firmly clamped in position to prevent chafing or damage and all synflex fuel hoses shall be wrapped with fire wrap lagging capable of withstanding temperatures in excess of 250°C.

The fuel tanks and lines shall be protected as necessary from exhaust heat through the use of heat shields or baffles. Use only metal fasteners, coated or insulated for maximum fuel line protection.

ECM PROGRAMMING

The cab and chassis ECM shall be programmed as required to allow the apparatus to achieve 68 MPH top speed.

FIRE PUMP SPECIFICATIONS

A Darley model JMP 500 GPM two stage fire pump shall be installed. Power to drive the pump shall be provided by the same engine used to propel the apparatus. The pump shall be equipped with a series-parallel changeover valve control on the pump panel.

Pump casing shall be a fine grain cast iron, with a minimum tensile strength of 30,000 PSI. Pump shall contain a cored heating jacket feature that, if selected, can be connected into the vehicle antifreeze system to protect the pump from freezing in cold climates, and to help reject engine heat from engine coolant, providing longer life for the engine. Seal rings shall be renewable, double labyrinth, wrap around bronze type.

The pump shaft shall be splined to receive broached impeller hubs, for greater resistance to wear, torsional vibration, and torque imposed by engine, as well as ease of maintenance and repair.

Bearings provided shall be heavy duty, deep groove, radial-type ball bearings. Sleeve bearings on any portion of the pump or transmission shall be prohibited due to wear, deflection, and alignment concerns. The bearings shall be protected at all openings from road dirt and water splash with oil seals and water slingers.

The impeller shall be a high strength bronze alloy, splined to the pump shaft for precision fit, durability, and ease of maintenance. Impeller shaft oil seals shall be constructed to be free from steel components except for the internal lip spring. The impeller shaft oil seals shall carry a lifetime warranty against damage from corrosion from water and other fire-fighting fluids.

The pump transmission case shall be heavy-duty cast iron with adequate oil reserve capacity to maintain low operating temperature. Pump ratio to be selected by the manufacturers engineering department. Gears shall be helical in design and precision ground for quiet operation and extended life. Gears to be cut from high strength alloy steel, ground, and carburized. Chain drive and/or design requiring extra lubricating pump is not acceptable.

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Pump drive shaft shall be precision ground, heat-treated alloy steel, with a 1-3/8 spline. Gears shall be helical design, and shall be precision ground for quiet operation and extended life. The pump transmission shall require no further lubrication beyond that provided by the intrinsic action of the gears, to reduce the likelihood of failure due to loss of auxiliary lubrication.

MECHANICAL SEAL

The mechanical seal shall use silicon carbide mechanical seals with welded springs. The stationary face of our mechanical seals shall be made from silicon carbide, an extremely hard and heat dissipative material, which resists wear and dry running damage.

PUMP SHIFT NO PUMP AND ROLL

The pump transmission shall be engaged by a guarded toggle switch which will lock in both the road and the pump mode to ensure that accidental pump engagement or disengagement is avoided.

The main fire pump shift controls shall be mounted in the cab and identified as "PUMP SHIFT" and shall include a permanently inscribed pump shift instruction I.D. plate. The pump shift controls shall include indicating lights located on the in-cab and left pump panels that advise the operator that the pump shift has been completed and it is O.K. to pump.

The indicating lights shall be as follows:

- To indicate that the pump shift has been successfully completed.
- An "O.K. to Pump" light located in the cab to indicate that the pump is engaged, the transmission is in neutral and the A "Pump Engaged" light located in the cab and on the left pump panel parking brake is set.
- A "Throttle Ready" light located on the left pump operators' panel to indicate the apparatus is in the O.K. to Pump mode.

The main pump shall be used for stationary pumping only. The main pump shall include a lock-out system that is interfaced with the apparatus electrical and parking brake systems and is designed to keep the main pump from being used in pump and roll operations.

The transfer valve will cycle every time the ignition is turned on to keep calcium buildup down and maintain movement of the valve. Once it cycles it will return to the switch location. The switch will default to **pressure** mode.

FIRE PUMP ANODE SYSTEM

The fire pump plumbing system shall be provided with anode system to reduce corrosion within the piping. The anode shall be bolt-in or screw-in type and easily replaceable.

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ELECTRIC PRIMER SPECIFICATIONS

A 12 volt electrically driven positive displacement fire pump primer system shall be installed. The priming pump shall be constructed of heat treated aluminum and hard coat anodized and shall not use oil in the operation. The system shall perform in compliance to applicable NFPA standards.

FIRE PUMP TEST

The fire pump shall undergo factory fire pump tests for a minimum of 30 minutes of continuous pump at rated capacity at rated net pump pressure prior to delivery of the completed apparatus. The complete pump test shall include a pressure control test, a priming system test, a vacuum test and a water tank to pump flow test. The factory pump testing results shall be furnished on delivery.

FIRE PUMP PTO AND DRIVELINES

A "Hot Shift" power-take-off shall be installed on the transmission PTO opening with the controls located in the chassis cab, with an AMBER warning light to note engagement. The drive shaft and universals shall be sized for intended usage and pump rating.

INTAKE DUMP VALVE

An Elkhart model #40/40 intake dump valve shall be provided and plumbed into the intake side of the main pump. The valve shall be preset from the factory at 125 psi. The pressure setting controls for the valve shall be accessible from beneath the pump compartment.

The 45° stainless steel discharge pipe shall be angled away from the tire and terminate with a 2½-inch NST male adapter and labeled "Do Not Cap".

BYPASS FIRE PUMP COOLER

The fire pump shall be equipped with 3/8" cooling line from the pump to the water tank. This re-circulation line shall be controlled by a pump panel control valve with nameplate label noting it as the "fire pump bypass cooler".

THERMAL PUMP COOLER

The fire pump shall be equipped with an overheat protection device which monitors the temperature of the water inside the pump and relieves water when the temperature inside the pump exceeds 140 degrees Fahrenheit. The Waterous Model #OPM shall also have an warning light on the pump panel to provide additional protection in the event the temperature inside the pump continues to rise with the overheat protection valve open. The warning light and test button shall be mounted to a heavy polished casting that is mounted to the pump operator's panel.

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MASTER PUMP DRAIN

One (1) Trident, multiple-port drain valve, fabricated from bronze, shall be provided and controlled at the pump operator's control panel. The valve shall be opened by turning a rotary hand wheel. The valve shall be plumbed to drain both the discharge and intake sides of the pump, the relief valve and other plumbing components as required.

The valve shall be placed as low as possible to provide proper drainage of the components plumbed to it. The valve shall be rated to 600 PSI minimum and suitable for daily valve actuation.

MAIN PUMP PLUMBING

The PTO main pump plumbing system shall utilize stainless steel piping incorporating hosing to allow for flex. The piping shall utilize TIG welding to provide a complete seal. Hard angles shall be avoided when possible to improve water flow characteristics. The piping shall utilize Victaulic couplers whenever possible to allow flex as the body module flexes.

Threaded sections of piping shall be avoided to reduce the leak potential of the system. Victaulic couplers shall be used in place of threading to reduce leak potential. Schedule 10 stainless steel piping shall be used for transport type piping. Schedule 40 stainless steel shall be used for areas requiring threading to provide a stable threading base. Brackets shall be installed to support threading locations thereby reducing the potential for leaks.

All hoses shall be connected directly to the tank due to the different flex ratios of the tank to body. Any front discharges, any rear discharges, and all cross lays shall use hose to reach the actual discharge. The use of hose shall be utilized due to the difference in flex or movement between the discharge location and the pump connection. Drain lines shall be provided at the lowest points in the plumbing system to allow for complete drainage. Bleeders shall be provided for all gauges to relieve pressure after use.

PORTABLE PUMP

A Darley 1-1/2AGE 24K portable pump shall be provided on the apparatus. The unit shall have a liquid cooled, 24 HP, Kubota D902 diesel engine equipped with an electric start.

Pump Performance

20 gpm @ 310 psi

140 gpm @ 145 psi

180 gpm @ 80 psi

Diesel Engine

Kubota, D902 Diesel, water-cooled, 24 hp.

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Fuel Supply

The engine shall be piped to the chassis fuel system with provisions to prevent fuel drain back to the tank when the engine is shutdown.

Fuel Prime

A fuel re-prime pump shall be provided to assist in fuel delivery to the diesel engine from the chassis tank.

Lubrication

Pressure feed with spin-on filter.

Starter

12-volt electric wired into the chassis battery system

Exhaust

A spark arrestor shall be provided on the engine exhaust system.

Air Intake

An air cleaner shall be provided with easy access to remove the element.

An ember screen shall be provided on the inlet to the air cleaner.

The auxiliary fire pump shall provide pressure to all 2-inch discharge valves only including the hose reel and be capable of re-circulating tank water for pump cooling purposes through the 2-inch tank filler valve.

NOTE The engine oil dipstick will be at the same level of height as the valve cover on the auxiliary engine.

CATTRON CONTROL PANELS

The auxiliary pump throttle controls shall be Cable Craft, low friction, lockable style throttle cables. There shall be one (1) throttle cable mounted on the cab console and one (1) throttle cable mounted on the left side operators pump panel.

Panel to include the following items:

Start / Stop Push Button Switch
 Ignition "On" Light (Green)
 Low Engine Oil Pressure Light
 High Engine Temperature Light
 Low Pump Water Pressure Light
 Alternator Charge Fail Light
 Glow Plug Active Light
 Push Button Primer

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Tachometer

Discharge Pressure Gauge (Red Back Lighted)

Vernier Throttle

AUX PUMP BYPASS COOLER

An auxiliary pump shall have cooling ability. A line will be installed for the auxiliary pump output that uses 1/8 inside diameter hose 300 psi minimum and will travel to the tank fill tower and drain inside facing down and have a check valve installed for priming purposes.

This line will always flow water when the auxiliary pump is running and drain back into the tank. If larger than 1/8 inside diameter hose is used an orifice tube to reduce the flow to 1/8 inch will be installed.

AUXILIARY PUMP PLUMBING

The auxiliary fire pump plumbing system shall utilize stainless steel piping incorporating hosing to allow for flex. The piping shall utilize TIG welding to provide a complete seal. Hard angles shall be avoided when possible to improve water flow characteristics. The piping shall utilize Victaulic couplers whenever possible to allow flex as the body module flexes.

Threaded sections of piping shall be avoided to reduce the leak potential of the system. Victaulic couplers shall be used in place of threading to reduce leak potential. Schedule 10 stainless steel piping shall be used for transport type piping. Schedule 40 stainless steel shall be used for areas requiring threading to provide a stable threading base. Brackets shall be installed to support threading locations thereby reducing the potential for leaks.

All hoses shall be connected directly to the tank due to the different flex ratios of the tank to body. Any front discharges, any rear discharges, and all cross lays shall use hose to reach the actual discharge. The use of hose shall be utilized due to the difference in flex or movement between the discharge location and the pump connection.

AUXILIARY PUMP EXHAUST SYSTEM

The auxiliary fire pump and engine assembly shall have a muffler and exhaust pipe. The exhaust pipe shall be directed out of the compartment and away from the pump operator. An additional guard shall be installed where the pipe is exposed to touch by an operator.

LOW PRESSURE PUMP SHUT-DOWN

If the fire pump runs out of water and the pressure decreases below 20 PSI, an automatic pressure switch shall detect the condition, and turn off the fire pump operation.

LOW OIL PRESSURE / HIGH TEMPERATURE PUMP SHUT-DOWN

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If the fire pump has low oil pressure or high engine temperature, automatic pressure switches shall detect the condition, and the device shall turn off the fire pump operation. There shall be an override switch provided and installed on the operators pump panel to allow the system to be disabled when required.

AUXILIARY FUEL SYSTEM

The fuel system for the auxiliary fire pump shall be plumbed to the chassis fuel system. There shall be a separate fuel pickup tube mounted in the chassis fuel tank specifically for a separate engine driven pump assembly. There shall be an electric fuel pump with regulator and fuel hose furnished between the chassis fuel tank and the auxiliary pump.

The fuel tank pick-up tube shall be designed to ensure the auxiliary engine will not exhaust the fuel supply of the vehicle. (minimum 15-gallon reserve)

A marine grade one way check valve shall be installed in the fuel line to eliminate the possibility of air locks in the fuel line and prevent the inability of the auxiliary pump engine to start instantaneously.

AUXILIARY FIRE PUMP ELECTRIC START WIRING TO CHASSIS

Properly sized 12 volt positive and negative cables shall be provided from the chassis battery to the auxiliary fire pump.

AUXILIARY AND MAIN PUMP PLUMBING

The auxiliary fire pump shall be plumbed to the main pump discharge.

AUXILIARY PUMP OIL DRAIN EXTENSION

There shall be an oil drain extension installed on the auxiliary pump. This will allow for the engine oil to be drained without removing the auxiliary engine.

AUXILIARY PUMP COVER

A louvered hinged cover with suitable latches shall be provided over the pump and power unit assembly. The area around the assembly shall remain open for maintenance and air circulation and the radiator shall be located behind ventilated side sheet.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

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4" UNGATED INTAKE -- LEFT SIDE

One (1) 4" un-gated suction intake shall be installed on the left side pump panel to supply the fire pump from an external water supply. The threads shall be 4" NH male and equipped with a removable screen.

One (1) chrome brass 4" NH rocker lug cap with a securing chain or cable shall be installed on the intake.

2-1/2" GATED INTAKE -- LEFT SIDE

One (1) 2-1/2" gated suction intake shall be recessed mounted on the left side pump panel to supply the fire pump from an external water supply. The valve shall be a quarter-turn ball valve with the appropriate handle and shall have 2-1/2" NH female thread.

The intake shall be equipped with a South Park Corp. 3/4" Push-pull type drain valve mounted to the bottom of the valve.

One (1) Akron 8825 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

One (1) chrome brass 2-1/2" NH rocker lug plug with a securing chain or cable shall be installed on the intake.

2-1/2" GATED INTAKE -- RIGHT SIDE

One (1) 2-1/2" gated suction intake shall be recess mounted on the right side pump panel to supply the fire pump from an external water supply. The valve shall be a quarter-turn ball valve with the appropriate handle and shall have 2-1/2" NH female thread.

The intake shall be equipped with a South Park Corp. 3/4" Push-pull type drain valve mounted to the bottom of the valve.

One (1) Akron 8825 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

One (1) chrome brass 2-1/2" NH rocker lug plug with a securing chain or cable shall be installed on the intake.

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WATER TANK SUPPLY LINE TO FIRE PUMP

A 3" water tank to pump line shall be installed, with a 3" full flow quarter turn ball valve and 3" piping. The line shall be equipped with a hump hose with stainless steel hose clamps and a 3" check valve to prevent pressurization of the water tank.

One (1) Akron 8830 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control, Akron Model R1 valve handle.

The 3" valve shall be equipped with an air operated cylinder and control actuator installed on pump panel. The controls shall be located on the left pump operator's panel, be labeled "Tank Suction", and feature a "green" valve open and "red" valve closed indicator light.

PUMP TO TANK

There shall be a pump to tank line provided from the discharge side of the pumps and plumbed to the top of the tank. The plumbing shall be 2-inch with a 2-inch Akron 8800 series ¼-turn full flow ball valve, and shall be controlled at the left pump panel by a push/pull T-handle and linkage. The pump to tank shall be plumbed to flow water from both the main and auxiliary pumps

One (1) Akron 8820 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control, Akron Model R1 valve handle.

The valve shall be equipped with a Thuemling manually operated pull rod, with quarter-turn locking feature.

2-1/2" DISCHARGE LEFT SIDE -- FORWARD PUMP PANEL

One (1) 2-1/2" discharge shall be installed on the left side forward pump panel area controlled by a quarter turn ball valve with the appropriate handle. The discharge shall have 2-1/2" NH male hose threads, bleeder valve, and chrome brass cap, with a label adjacent the control handle.

A Class 1 quarter-turn 3/4" drain and bleeder valve shall be installed on the discharge valve.

One (1) Akron 8825 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

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The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

One (1) chrome brass 2.5" NH rocker lug cap with a securing chain or cable shall be installed on the discharge.

LINE PRESSURE GAUGE

There shall be one (1) 2.5" diameter -30-0-600 PSI pressure gauge internally lit.

The specified gauge shall feature a drain located at the gauge inlet to help prevent freezing. The drain shall be a twist open and close type.

Gauge(s) shall include internal, back-lit 12 volt lighting. Replaceable, White, LED bulb in a water-resistant holder.

Gauge(s) shall be supplied with a white dial face with black lettering and black gauge marks.

Gauge bezel shall be Chrome in color.

2.5" DISCHARGE -- REAR LEFT

One (1) 2.5" discharge shall be installed on the rear left panel with controlled by a quarter turn ball valve. The discharge shall have 2.5" NH male hose threads and nameplate label adjacent the control handle.

One (1) Akron 8825 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

(1) chrome plated brass 30 degree elbow with 2.5" swivel female NH x 2.5" male NH thread with rocker lugs shall be provided on the discharge.

One (1) chrome brass 2.5" NH rocker lug cap with a securing chain or cable shall be installed on the discharge.

2" DISCHARGE -- REAR RIGHT

One (1) 2" discharge shall be installed on the rear right panel, controlled by a quarter turn ball valve on pump panel. The discharge shall have 2" NPT x 1-1/2" NH male hose threads and nameplate label adjacent the valve control handle.

One (1) Akron 8820 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to

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operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

One (1) chrome plated brass reducing adapter with a 2" female NH x 1.5" male NH thread with rocker lugs shall be provided on the discharge.

One (1) chrome plated brass 30 degree elbow with 1.5" swivel female NH x 1.5" male NH thread with rocker lugs shall be provided on the discharge.

One (1) chrome plated brass 1.5" NH rocker lug cap with a securing chain or cable shall be installed on the discharge.

1-1/2" CROSSLAY DISCHARGES

Two (2) pre-connected 1-1/2" hose cross lays shall be installed over pump enclosure. One (1) each side. They shall be arranged in a single stack design with a divider in the center of the storage area. Each storage area shall extend from the side of the pump house to the center of the pump house. The dimensions shall be approximately 4-1/2" wide x 36" deep x 32" tall.

Two (2) Akron 8820 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

The crosslay hosebed shall be equipped with an aluminum diamond plate hinged cover and vinyl end flap enclosures on each side, installed in compliance with applicable NFPA #1900 standards. The cover shall be equipped with rubber bumpers and lift up handle on each end of the cover.

The specified crosslay flaps shall be red.

CROSSLAY EDGES

The crosslay side sheets shall be rolled on each side to act as a guide for the hose to come out of the tray.

Two (2) chrome plated brass reducing adapter with a 2" female NH x 1.5" male NH thread with rocker lugs shall be provided on the discharge.

Two (2) chrome plated brass 1.5" NH rocker lug cap with a securing chain or cable shall be installed on the discharge.

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1-1/2" BUMPER AREA DISCHARGE (LEFT SIDE)

One (1) 2" discharge shall be provided at the driver's side of the front bumper extension. The discharge shall be plumbed with 2" flexible high pressure hose with reusable fittings or welded stainless steel pipe. The front bumper discharge shall be equipped with a 2" quarter turn ball valve. The discharge shall have a 90 degree full swivel elbow, terminating in 1-1/2" NST male threads, to allow the hose to be pulled in any direction without kinking. The swivels shall feature stops allowing them to only rotate 220° from left side to right along the forward radius.

One (1) Akron 8820 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

One (1) chrome plated brass 1.5" NH rocker lug cap with a securing chain or cable shall be installed on the discharge.

1-1/2" BUMPER AREA DISCHARGE (RIGHT SIDE)

One (1) 2" discharge, shall be provided at the passenger's side of the front bumper extension. The discharge shall be plumbed with 2" flexible high pressure hose with reusable fittings or welded stainless steel pipe. The front bumper discharge shall be equipped with a 2" quarter turn ball valve. The discharge shall have a 90 degree full swivel elbow, terminating in 1-1/2" NST male threads, to allow the hose to be pulled in any direction without kinking. The swivels shall feature stops allowing them to only rotate 220° from left side to right along the forward radius.

One (1) Akron 8820 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

One (1) chrome plated brass 1.5" NH rocker lug cap with a securing chain or cable shall be installed on the discharge.

2" ISOLATION VALVE

One (1) 2" inline valve, labeled, shall be provided to isolate the front bumper extension discharge piping in the

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case of a hose or piping failure. This valve shall normally be left in the open position. Control for this valve shall be through the use of a R1 handle, painted red, located at the valve.

One (1) Akron 8820 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control, Akron Model R1 valve handle.

HOSE REEL

One (1) Hannay aluminum hose reel Model #SBSEPF17-28-29-RT shall be installed. The reel shall have leak proof ball bearing swing joint, adjustable friction brake, electric 12 volt rewind and manual crank rewind provisions. The reel shall be plumbed with wire reinforced, high-pressure hose coupled with brass fittings. The reel shall be designed to hold 125% of the specified hose capacity.

The reel shall be provided with a 12 volt electric motor of appropriate size for rewinding. The hose reel shall have provisions for being rewound manually. The pinion shaft for the manual rewind gear shall be equipped with an adjustable tension brake, controlled at the hose reel.

One (1) Akron 8810 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

HOSE REEL MOUNTING

The hose reel shall be mounted over the pump enclosure.

Two (2) Cole Hersee #M-608 push button hose reel rewind controls shall be installed supplied and installed to rewind the hose reel. One (1) button shall be installed on the left pump panel and one (1) button shall be installed on the right panel.

HOSE REEL NOZZLE MOUNTING

The specified hose reel nozzle shall be mounted with a PAC nozzle mount. Install the nozzle pocket on the pump panel below the hardline fairlead with two 5/16 bolts.

HOSE REEL ROLLERS

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The hose reel shall include one horizontal and two vertical chrome fairlead rollers. Two (2) additional sets of fair lead rollers shall be located on the auxiliary pump cover for guiding the hose across the top of the apparatus.

FOAM SYSTEM

A FoamPro electronic foam system shall be provided. The system shall be designed for use with Class A foam concentrate. The foam proportioning operation shall be designed for direct measurement of water flows and shall remain consistent within the specified flows and pressures. The system shall be capable of accurately delivering foam solution as required by applicable sections of the NFPA standards.

The system shall be equipped with a control module suitable for installation on the pump panel. There shall be a microprocessor incorporated within the motor driver that shall receive input from the system's flowmeter, while also monitoring the foam concentrate pump output. The microprocessor shall compare the values to ensure that the desired amount of foam concentrate is injected onto the discharge side of the fire pump. A "foam capable" paddlewheel-type flowmeter shall be installed in the discharge side of the piping system.

The control module shall enable the pump operator to:

- Activate the foam proportioning system
- Select the proportioning rates from 0.1% to 1.0%
- See a "low concentrate" warning light flash when the foam tank level becomes low and in two (2) minutes, if the foam concentrate has not been added to the tank, the foam concentrate pump shall be capable of shutting down.

A 12-volt electric motor driven positive displacement plunger pump shall be provided. The pump capacity range shall be 0.1 to 1.7 GPM (6.4L/min) at 200 PSI (13.8 BAR) with a maximum operating pressure up to 400 PSI (27.6 BAR). The system shall draw a maximum of 30 amps at 12 volts. The motor shall be controlled by the microprocessor which shall be mounted to the base of the pump. It receives signals from the control module and power the 1/3 horsepower (.25 Kw) electric motor in a variable speed duty cycle to ensure that the correct proportion of concentrate is injected into the water stream.

A full flow check valve shall be provided in the discharge piping to prevent foam contamination of the fire pump and water tank. A 5 PSI (.35 BAR) opening pressure check valve shall be provided in concentrate line.

Components of the complete proportioning system as described above shall include:

- Operator control module
- Paddlewheel flowmeter
- Pump and electric motor/motor driver
- Wiring harnesses
- Low level tank switch

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- Foam tank
- Foam injection check valve
- Main waterway check valve
- Flowmeter and tee with 2" male NPT threads.

The foam system shall be installed and calibrated to manufacturer's requirements. In addition the system shall be tested and certified by the apparatus manufacturer to applicable NFPA standards.

The foam system design shall be tested and pass environmental testing in accordance to SAE standards.

An installation and operation manual shall be provided for the unit. The system shall have a one (1) year limited warranty by the foam system manufacturer.

The FoamPro 1600 Series foam system shall be provided with a control cable from the controller to the foam pump assembly.

The FoamPro 1600 Series foam system shall be provided with a standard pump panel mounted FoamPro control head.

A FoamPro brass flowmeter shall be provided. The flowmeter shall be installed in the "foam capable" discharge line. The flowmeter shall have maximum accuracy between the flow range of 15 GPM and 520 GPM and be capable of operation between 5 GPM to 625 GPM. The tee shall have NPT and Victaulic inlet and outlets connections.

A FoamPro instruction and system rating label shall be provided. The label shall display information for a FoamPro 1600 Series foam system and shall meet applicable sections of the NFPA standards.

A FoamPro foam system schematic label shall be installed on the pump panel near foam controls. The label shall be a diagram of the FoamPro 1600 series foam system layout and shall meet applicable sections of the NFPA standards.

The foam system will be fastened and mounted from a double gusseted 5/16 steel mount and be supported on the top and bottom of the foam pump system to the buildup.

FOAM SYSTEM OUTLETS

The following discharges shall have foam distributed to them.

- Front bumper discharges
- Front bumper monitor (if applicable)
- Pump house crosslay pre connects
- Booster hose reel

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Rear 1-1/2" discharge

FOAM SYSTEM CAB CONTROL

A FoamPro on-off control switch shall be installed in the cab console.

FOAM UPLOAD SYSTEM

There shall be a Hale EZ Foam upfill system supplied and installed on the apparatus. The foam transfer system will be mounted from the frame rail with 1/4-inch steel plate that is gusseted on both ends for support.

PUMP MODULE ENCLOSURE

The PTO fire pump enclosure shall be a separate unit from the body unit and shall be attached and supported at the chassis frame rails. This module shall allow for independent flexing of the pump enclosure from the body, chassis, and tank, and shall permit quick removal. The module shall have Polypro mounting pads and shall be attached to the frame rails. The module shall be a welded frame with all vertical supports from ¼ wall A-36 mild hot rolled steel to be continuous, (no splices or brakes on vertical supports).

The pump enclosure shall be approximately 27" front to rear, 72" right to left, and 60" high.

PUMP ENCLOSURE RUNNING BOARD

Both the drivers and passenger side shall be equipped with a side running board a minimum of 12" deep. The running board shall extend along the width of the pump enclosure from the forward end of the body module to behind the chassis cab. The exterior edge of the running board shall be constructed of a non-slip aggressive surface, supported by the pump enclosure framework, and bolted in place with stainless steel fasteners. The outside edges of the specified step shall be provided with 2" x 1.5" x .250" extruded and knurled aluminum rub rails.

Specified part shall include White reflective striping.

PUMP ACCESS SERVICE DOOR -- UPPER LEFT SIDE

The upper left side of the side mount pump enclosure shall be provided with a pump service access door. The hinged door shall be constructed of stainless steel powder coated satin black, with push button type lever latches for service access.

PUMP PANELS

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The pump panels shall be constructed of stainless steel, bolted to the pump enclosure with stainless steel fasteners. The operators side pump panel shall be powdercoated satin black, while the right side panel shall be brushed stainless steel.

MASTER INTAKE PRESSURE GAUGE

One (1) master intake pressure gauge shall be provided on the operator's panel. The gauge shall be a Span brand, or equivalent, 30-0-600 PSI graduated, with a minimum diameter of 4-1/2", backlit for nighttime operations and silicone liquid filled to prevent condensation inside the gauge and to dampen the movement.

The gauge housing shall be constructed of Zytel nylon with a 1/4" NPT brass male fitting centrally located on the rear of the housing. The gauge shall be filled with low-temperature liquid with an operating range of -40 to +150 degrees Fahrenheit, which prevents bouncing of the readout needle and provides for an accuracy rating of 3% or 1" hg on the vacuum side and 5% or 15 PSI on the pressure side of the gauge.

The specified gauge shall feature a drain located at the gauge inlet to help prevent freezing. The drain shall be a twist open and close type.

Gauge(s) shall include internal, back-lit 12 volt lighting. Replaceable, White, LED bulb in a water-resistant holder.

Gauge(s) shall be supplied with a white dial face with black lettering and black gauge marks.

Gauge bezel shall be Chrome in color.

MASTER INTAKE PRESSURE GAUGE

One (1) master discharge pressure gauge shall be provided on the operator's panel. The gauge shall be a Span brand, or equivalent, 30-0-600 PSI graduated, with a minimum diameter of 4-1/2", backlit for nighttime operations and silicone liquid filled to prevent condensation inside the gauge and to dampen the movement.

The gauge housing shall be constructed of Zytel nylon with a 1/4" NPT brass male fitting centrally located on the rear of the housing. The gauge shall be filled with low-temperature liquid with an operating range of -40 to +150 degrees Fahrenheit, which prevents bouncing of the readout needle and provides for an accuracy rating of 3% or 1" hg on the vacuum side and 5% or 15 PSI on the pressure side of the gauge.

The specified gauge shall feature a drain located at the gauge inlet to help prevent freezing. The drain shall be a twist open and close type.

Gauge(s) shall include internal, back-lit 12 volt lighting. Replaceable, White, LED bulb in a water-resistant holder.

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Gauge(s) shall be supplied with a white dial face with black lettering and black gauge marks.

Gauge bezel shall be Chrome in color.

TEST TAPS

Test taps for pump intake and pump pressure with name plate labels shall be provided on the pump instrument panel.

PRESSURE GOVERNOR and ENGINE MONITORING DISPLAY

Fire Research PumpBoss series PBA401-D00 pressure governor and monitoring display kit shall be installed. The kit shall include a control module, intake pressure sensor, discharge pressure sensor, and cables. The control module case shall be waterproof and have dimensions not to exceed 6 3/4" high by 4 5/8". The control knob shall be 2" in diameter with no mechanical stops, have a serrated grip, and a red idle push button in the center. It shall not extend more than 1 3/4" from the front of the control module. Inputs for monitored engine information and outputs for engine control shall be on the J1939 databus. Inputs from the pump discharge and intake pressure sensors shall be electrical.

The following continuous displays shall be provided:

- Engine RPM; shown with four daylight bright LED digits more than 1/2" high
- Check engine and stop engine warning LEDs
- Engine oil pressure; shown on a dual color (green/red) LED bar graph display
- Engine coolant temperature; shown on a dual color (green/red) LED bar graph display
- Transmission Temperature: shown on a dual color (green/red) LED bar graph display
- Battery voltage; shown on a dual color (green/red) LED bar graph display
- Pressure and RPM operating mode LEDs
- Pressure / RPM setting; shown on a dot matrix message display
- Throttle ready LED.

The dot-matrix message display shall show diagnostic and warning messages as they occur. It shall show monitored apparatus information, stored data, and program options when selected by the operator. All LED intensity shall be automatically adjusted for day and night time operation.

The program shall store the accumulated operating hours for the pump and engine to be displayed with the push of a button. It shall monitor inputs and support audible and visual warning alarms for the following conditions:

- High Battery Voltage
- Low Battery Voltage (Engine Off)
- Low Battery Voltage (Engine Running)
- High Transmission Temperature
- Low Engine Oil Pressure
- High Engine Coolant Temperature
- Out of Water (visual alarm only)

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No Engine Response (visual alarm only).

The program features shall be accessed via push buttons located on the front of the control module. There shall be a USB port located at the rear of the control module to upload future firmware enhancements.

The governor shall operate in two control modes, pressure and RPM. No discharge pressure or engine RPM variation shall occur when switching between modes. A throttle ready LED shall light when the interlock signal is recognized. The governor shall start in pressure mode and set the engine RPM to idle. In pressure mode the governor shall automatically regulate the discharge pressure at the level set by the operator. In RPM mode the governor shall maintain the engine RPM at the level set by the operator except in the event of a discharge pressure increase. The governor shall limit a discharge pressure increase in RPM mode to a maximum of 30 psi. Other safety features shall include recognition of no water conditions with an automatic programmed response and a push button to return the engine to idle.

The pressure governor and display shall be programmed to interface with a Cummins engine.

Intake and discharge pressure transducers, water lines, and gauges which control the pump performance will be protected from freezing to ensure no accidental pump shut down will occur.

An aluminum fold down door and cover made from 1/8 aluminum will be added to the pressure governor that would fold up and lock in place while pumping and will be painted to match the paint on the pump panel. This will protect the governor from the sun and radiant heat on fires.

WATER TANK GAUGE

One (1) Fire Research TankVision model WLA300-A00-S20 tank gauge shall be installed on the pump panel. The water tank indicator kit shall include an electronic indicator module, a pressure sensor, and a 10' sensor cable. The indicator shall show the volume of water in the tank on nine (9) easy to see super bright LEDs. The gauge shall be interlocked to turn off when the parking brake is released and the pump is engaged.

The specified level gauge shall only activate while the park brake is set and the pump is engaged.

WATER TANK GAUGE

One (1) Fire Research TankVision model WLA300-A00-S20 tank gauge shall be installed on the cab console. The water tank indicator kit shall include an electronic indicator module, a pressure sensor, and a 10' sensor cable. The indicator shall show the volume of water in the tank on nine (9) easy to see super bright LEDs. The gauge shall be powered when the parking brake is released and the aux pump is engaged.

The specified level gauge shall only activate while the park brake is released and the auxiliary pump is engaged.

WATER TANK VOLUME REMOTE INDICATOR

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Three (3) Fire Research TankVision model WLA280-A00 tank remote indicator shall be installed. The indicator shall show the volume of water in the tank on Ninety six (96) easy to see super bright Tri-color LEDs. The indicator case shall be waterproof, manufactured of Polycarbonate material with an integrated lens. The package includes a rubber gasket.

The remote indicator shall receive input information over a datalink from a Fire Research TankVision primary indicator model WLA200-A00, WLA300-A00 or WLA400-A00. The remote indicator shall indicate the level as a single color in Red for 25% or less, Amber color for up to 50% volume, Blue color for up to 75% volume and Green color for up to 100% volume. When the level reaches 25%, the red LEDs will begin flashing. When the level is empty, the red LEDs will scroll in a down-chasing motion and then flash three times. It shall have the program capability to adjust the brightness level for day time and nighttime viewing.

One (1) mounted on each side of the cab, on the "C" Pillars.

One (1) mounted at the rear of the apparatus on the drivers side between the handrail and the I-Zone bracket, above the BME placard.

The specified level gauge shall only activate while the park brake is set and the pump is engaged.

CLASS A FOAM TANK GAUGE

One (1) Fire Research brand, Model WLA360-A00 tank level gauge shall be provided on the pump operator's panel to monitor the foam concentrate storage tank level. The gauge shall indicate the foam concentrate storage tank liquid level on an LED bar graph display.

The specified level gauge shall only activate while the park brake is set and the pump is engaged.

NOMENCLATURE PLATES

The apparatus shall be equipped with color coded labels. 5/8-inch X 3-inch metal, Vision Mark individual nomenclature plates shall readily identify all switches, valves, and controls. The lettering shall be deeply etched; enamel paint filled or anodized aluminum-etched color-coded tags and shall describe the function of all the pump panel controls, switches, discharge and suction valves. The plates shall be attached with stainless steel nylock nuts and machine screws. The plates shall be attached with stainless steel nylock nuts and machine screws (Plastic I.D. plates, rivets, adhesive backed plates, and/or self-tapping screws are Unacceptable).

MIDSHIP PUMP PANEL LIGHTS -- DRIVERS SIDE

There shall be three Tecniq brand LED lights installed under a stainless steel light shield mounted above the pump panel. The two outer lights shall be operated by a panel mounted switch, while the middle light will only be activated upon pump engagement.

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One (1) of the pump panel lights shall illuminate at the time the fire pump is engaged.

MIDSHIP PUMP PANEL LIGHTS -- PASSENGER SIDE

There shall be one Tecniq brand LED light installed under a stainless steel light shield mounted above the pump panel. The light shall activate upon pump engagement.

PUMP ENCLOSURE WORK LIGHTS

Two (2) LED work lights shall be installed in the pump enclosure. The work lights shall have clear lenses and shall have a control switch.

DESIGN AND SCOPE OF WILDLAND BODY

The body shall be designed and constructed of commonly available structural components for ease of repair and maintenance. The body shall be of a modular design with the body structure independent of the chassis frame rails. The body module shall be mounted to the chassis frame rails utilizing a unique double spring mounting system for flexibility and durability over the lifetime of the apparatus. The fabrication of the body shall be of welded construction to withstand the rigors of fire service use.

The body shall be designed to incorporate and support the tank, hose bed, compartments, and all other equipment intended to be stored in or mounted to the body module. The body skeleton and compartment framework shall be designed of tubular members for increased strength and stress resistance. There shall be no sheet metal or extrusions utilized in the foundation or structural components of the body module due to their critical role in assuring lifetime durability, functionality and usability.

BODY FRAMEWORK

The entire body framework shall be fabricated from steel tubing. The body framework shall be a completely welded unit, forming a connected, stable frame for strength, longevity and providing the skeleton of the body module. The internal upright members of the framework shall act as support for the top layer of the body module. The external upright members shall act as an exoskeleton providing form and support for compartments while acting as the external surfaces of the module. The framework shall define the compartment openings and provide a rigid mounting location for all compartments and doors.

The foundation cross-members shall be placed perpendicular to the chassis frame rails in the wheel well area extending the full width of the body.

All tank support cross members shall be placed to support the water tank as per the tank manufacture's recommendation.

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The internal upright supports for top layer components shall be placed to provide support for all components located on the top layer of the body module and shall be constructed of steel tubing.

BODY MOUNTING SYSTEM

The mounting assembly shall be designed to isolate and protect the body module from vibration and twisting stresses imparted by the flexing of the chassis frame rails. The body module shall employ spring loaded body mounting assemblies. Each two piece mounting assembly shall be designed to positively position the body on the frame rails while allowing lateral and forward or aft movement. Mounting assemblies shall be placed forward and rearward of the rear axle as necessary to provide a strong and stable mounting of the body module

Each mounting assembly shall consist of a "male" upper mounting bracket and a "female" lower mounting bracket. The upper mounting brackets shall be fabricated from .375 inch thickness steel plate, with .375 inch painted steel lower mounting brackets. There shall be no vertical bends or offsets for strength.

The mounting brackets shall be aligned and connected by two (2) 5/8 inch diameter grade 8 bolts equipped with compression springs. The Springs that are used to allow the body to travel up and down shall have a minimum travel of 7/8 inches on each mount after the spring is compressed with the mounting nuts.

COMPARTMENT FLOOR, SWEEP OUT STYLE

Each compartment shall feature a raised floor sufficient enough so the lip of the compartment shall clear the frame rail of the body module to allow debris to be removed easily from the compartment.

COMPARTMENTATION

All compartments shall be constructed of 14 gauge E.G. steel welded for strength and shall be sealed from the elements. The compartments shall be attached to the steel superstructure only, in order to maintain a truly modular design. Each compartment shall feature a smooth edges and surfaces from the walls to each weld without burs or sharp edges in the material.

DRIVER'S SIDE BODY COMPARTMENTS

COMPARTMENT D1

One compartment shall be provided on the driver's side of the apparatus body above the rear wheels. This compartment shall span from just behind the pump panel to the back of the rear wheel well quarter panel. The compartments approximate "clear door opening" is 51" wide by 39" high with a variable depth of 13.5/23". Compartment shall have two hat sections that are 4.25 inch wide and will be spaced two inches apart that run from either side of the compartment.

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COMPARTMENT VENTILATION

A minimum 2-inch single “Weber” style polished stainless steel swivel vent with four (4) ¼-inch vent holes shall be provided. These vents shall have a stainless steel center bolt to lock the vent in either the open or closed position and be located in the compartment walls. All vents will contain fire resistant filters to minimize dust entering the compartment.

COMPARTMENT FLOOR DRAIN

The compartment shall be provided with rear corner floor drains to the underside of the body.

COMPARTMENT SILL PLATE

The compartment shall feature a polished stainless steel sill plate protecting the painted surface of the compartment when items are accessed.

ADJUSTABLE UNISTRUT

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) channels on the left wall and two (2) channels on the right wall. The tracks shall be positioned to provide support for equipment mounting. The length of the tracks shall be sized to allow for optimum use of the compartment interior.

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) vertical channels on the back wall of the compartment.

ADJUSTABLE SHELVES

Two (2) adjustable shelf(s) shall be constructed of .188" thick smooth aluminum plate and be mounted in specified compartments with double bolt cast aluminum shelf brackets. Each shelf shall have a broken front edge, and a broken rear edge for added strength and reinforcement. All shelves shall be orbital DA finish.

COMPARTMENT SHELF GRATING

The specified compartment shelf shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

The specified Dri-Dek grating shall be black in color.

The compartment shelf and or shelves shall have reflective striping added to the outside lip. The stripe shall be a 1-1/2" minimum in width.

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Specified part shall include Red and White DOT approved reflective striping.

COMPARTMENT DIVIDER

There shall be one (1) vertical compartment divider(s) installed in the specified compartment. The divider(s) shall be bolted in place for ease of removal. The aft side of the vertical divider shall have two (2) vertical unistruts installed.

ADJUSTABLE UNISTRUT

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) channels on the left wall and two (2) channels on the right wall. The tracks shall be positioned to provide support for equipment mounting. The length of the tracks shall be sized to allow for optimum use of the compartment interior.

COMPARTMENT GRATING

The compartments shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

COMPARTMENT GRATING EDGE

The Dri-Dek grating shall be equipped with beveled edges where required.

The specified Dri-Dek grating shall be black in color.

COMPARTMENT LIGHTING

The specified compartment shall have two (2) vertical and one (1) horizontal Code 3 800 series lights installed.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

COMPARTMENT D2

One full height compartment shall be provided on the driver's side of the apparatus body aft of the rear wheels. This compartment shall span from behind the rear wheel well quarter panel to the rear of the body in width and from the top of the body to the rub rail in height. The compartments approximate "clear door opening" is 34" wide by 58" high with a variable depth of 13.5"/22.5". Compartment shall have two hat sections that are 4.25 inch wide and will be spaced two inches apart that run from either side of the compartment.

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COMPARTMENT VENTILATION

A minimum 2-inch single “Weber” style polished stainless steel swivel vent with four (4) ¼-inch vent holes shall be provided. These vents shall have a stainless steel center bolt to lock the vent in either the open or closed position and be located in the compartment walls. All vents will contain fire resistant filters to minimize dust entering the compartment.

COMPARTMENT FLOOR DRAIN

The compartment shall be provided with rear corner floor drains to the underside of the body.

COMPARTMENT SILL PLATE

The compartment shall feature a polished stainless steel sill plate protecting the painted surface of the compartment when items are accessed.

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) vertical channels on the back wall of the compartment.

ADJUSTABLE SHELVES

Two (2) adjustable shelf(s) shall be constructed of .188" thick smooth aluminum plate and be mounted in specified compartments with double bolt cast aluminum shelf brackets. Each shelf shall have a broken front edge, and a broken rear edge for added strength and reinforcement. All shelves shall be orbital DA finish.

COMPARTMENT SHELF GRATING

The specified compartment shelf shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

The specified Dri-Dek grating shall be black in color.

The compartment shelf and or shelves shall have reflective striping added to the outside lip. The stripe shall be a 1-1/2" minimum in width.

Specified part shall include Red and White DOT approved reflective striping.

TOOL BOARD ON SIDE WALL OF COMPARTMENT

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Two (2) PAC TRAC tool board panel shall be provided and mounted vertically on the side wall of the specified compartment. The tool board shall be mounted directly to the wall and not to unistrut.

TOOL BOARD REAR WALL OF COMPARTMENT

A PAC TRAC tool board panel shall be provided and mounted vertically on the back wall of the specified compartment. The tool board shall be mounted directly to the wall and not to unistrut.

COMPARTMENT GRATING

The compartments shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

COMPARTMENT GRATING EDGE

The Dri-Dek grating shall be equipped with beveled edges where required.

The specified Dri-Dek grating shall be black in color.

COMPARTMENT LIGHTING

The specified compartment shall have two (2) vertical and one (1) horizontal Code 3 800 series lights installed.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

PASSENGER SIDE BODY COMPARTMENTS

COMPARTMENT P1

One compartment shall be provided on the passenger's side of the apparatus body above the rear wheels. This compartment shall span from just behind the pump panel to the back of the rear wheel well quarter panel in width and from the top of the body side to the wheel well in height. The compartments approximate "clear door opening" is 51" wide by 39" high with a depth of 12". Compartment shall have two hat sections that are 4.25 inch wide and will be spaced two inches apart that run from either side of the compartment.

COMPARTMENT VENTILATION

A minimum 2-inch single "Weber" style polished stainless steel swivel vent with four (4) 1/4-inch vent holes shall be provided. These vents shall have a stainless steel center bolt to lock the vent in either the open or closed

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position and be located in the compartment walls. All vents will contain fire resistant filters to minimize dust entering the compartment.

COMPARTMENT FLOOR DRAIN

The compartment shall be provided with rear corner floor drains to the underside of the body.

COMPARTMENT SILL PLATE

The compartment shall feature a polished stainless steel sill plate protecting the painted surface of the compartment when items are accessed.

ADJUSTABLE UNISTRUT

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) channels on the left wall and two (2) channels on the right wall. The tracks shall be positioned to provide support for equipment mounting. The length of the tracks shall be sized to allow for optimum use of the compartment interior.

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) vertical channels on the back wall of the compartment.

ADJUSTABLE SHELVES

One (1) adjustable shelf(s) shall be constructed of .188" thick smooth aluminum plate and be mounted in specified compartments with double bolt cast aluminum shelf brackets. Each shelf shall have a broken front edge, and a broken rear edge for added strength and reinforcement. All shelves shall be orbital DA finish.

COMPARTMENT SHELF GRATING

The specified compartment shelf shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

The specified Dri-Dek grating shall be black in color.

The compartment shelf and or shelves shall have reflective striping added to the outside lip. The stripe shall be a 1-1/2" minimum in width.

Specified part shall include Red and White DOT approved reflective striping.

COMPARTMENT GRATING

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The compartments shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

COMPARTMENT GRATING EDGE

The Dri-Dek grating shall be equipped with beveled edges where required.

The specified Dri-Dek grating shall be black in color.

COMPARTMENT LIGHTING

The specified compartment shall have two (2) vertical and one (1) horizontal Code 3 800 series lights installed.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

COMPARTMENT P2

One compartment shall be provided on the passenger's side of the apparatus body aft of the rear wheels. This compartment shall span from behind the rear wheel well quarter panel to the rear of the body in width and from below the walkway to the rub rail in height. The compartments approximate "clear door opening" is 34" wide by 58" high with a variable depth of 12"/22". Compartment shall have two hat sections that are 4.25 inch wide and will be spaced two inches apart that run from either side of the compartment.

COMPARTMENT VENTILATION

A minimum 2-inch single "Weber" style polished stainless steel swivel vent with four (4) 1/4-inch vent holes shall be provided. These vents shall have a stainless steel center bolt to lock the vent in either the open or closed position and be located in the compartment walls. All vents will contain fire resistant filters to minimize dust entering the compartment.

COMPARTMENT FLOOR DRAIN

The compartment shall be provided with rear corner floor drains to the underside of the body.

COMPARTMENT SILL PLATE

The compartment shall feature a polished stainless steel sill plate protecting the painted surface of the compartment when items are accessed.

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ADJUSTABLE UNISTRUT

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) channels on the left wall and two (2) channels on the right wall. The tracks shall be positioned to provide support for equipment mounting. The length of the tracks shall be sized to allow for optimum use of the compartment interior.

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) vertical channels on the back wall of the compartment.

ADJUSTABLE SHELVES

Two (2) adjustable shelf(s) shall be constructed of .188" thick smooth aluminum plate and be mounted in specified compartments with double bolt cast aluminum shelf brackets. Each shelf shall have a broken front edge, and a broken rear edge for added strength and reinforcement. All shelves shall be orbital DA finish.

COMPARTMENT SHELF GRATING

The specified compartment shelf shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

The specified Dri-Dek grating shall be black in color.

The compartment shelf and or shelves shall have reflective striping added to the outside lip. The stripe shall be a 1-1/2" minimum in width.

Specified part shall include Red and White DOT approved reflective striping.

COMPARTMENT GRATING

The compartments shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

COMPARTMENT GRATING EDGE

The Dri-Dek grating shall be equipped with beveled edges where required.

The specified Dri-Dek grating shall be black in color.

COMPARTMENT LIGHTING

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The specified compartment shall have two (2) vertical and one (1) horizontal Code 3 800 series lights installed.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

BACK BODY COMPARTMENTS

COMPARTMENT B1

One compartment shall be provided at the back of the apparatus body, below the hose bed and above the tailboard. This compartment shall span just center of the tank. The compartments approximate "clear door opening" is 27" wide by 34" high with a depth of 25". Compartment shall have two hat sections that are 4.25 inch wide and will be spaced two inches apart that run from either side of the compartment.

COMPARTMENT VENTILATION

A minimum 2-inch single "Weber" style polished stainless steel swivel vent with four (4) ¼-inch vent holes shall be provided. These vents shall have a stainless steel center bolt to lock the vent in either the open or closed position and be located in the compartment walls. All vents will contain fire resistant filters to minimize dust entering the compartment.

COMPARTMENT FLOOR DRAIN

The compartment shall be provided with rear corner floor drains to the underside of the body.

COMPARTMENT SILL PLATE

The compartment shall feature a polished stainless steel sill plate protecting the painted surface of the compartment when items are accessed.

ADJUSTABLE UNISTRUT

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) channels on the left wall and two (2) channels on the right wall. The tracks shall be positioned to provide support for equipment mounting. The length of the tracks shall be sized to allow for optimum use of the compartment interior.

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) horizontal channels on the back wall of the compartment.

ADJUSTABLE SHELVES

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One (1) adjustable shelf(s) shall be constructed of .188" thick smooth aluminum plate and be mounted in specified compartments with double bolt cast aluminum shelf brackets. Each shelf shall have a broken front edge, and a broken rear edge for added strength and reinforcement. All shelves shall be orbital DA finish.

COMPARTMENT SHELF GRATING

The specified compartment shelf shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

The specified Dri-Dek grating shall be black in color.

The compartment shelf and or shelves shall have reflective striping added to the outside lip. The stripe shall be a 1-1/2" minimum in width.

Specified part shall include Red and White DOT approved reflective striping.

COMPARTMENT GRATING

The compartments shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

COMPARTMENT GRATING EDGE

The Dri-Dek grating shall be equipped with beveled edges where required.

The specified Dri-Dek grating shall be black in color.

COMPARTMENT LIGHTING

The specified compartment shall have two (2) vertical Code 3 800 series lights installed.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

PUMP HOUSE COMPARTMENT (PH1)

There shall be a compartment located on the upper passenger side of the pump house. The compartment dimensions shall be approximately 21" wide x 23" high x 12" deep.

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COMPARTMENT VENTILATION

A minimum 2-inch single "Weber" style polished stainless steel swivel vent with four (4) ¼-inch vent holes shall be provided. These vents shall have a stainless steel center bolt to lock the vent in either the open or closed position and be located in the compartment walls. All vents will contain fire resistant filters to minimize dust entering the compartment.

COMPARTMENT FLOOR DRAIN

The compartment shall be provided with rear corner floor drains to the underside of the body.

ADJUSTABLE UNISTRUT

Adjustable Uni-Strut equipment mounting tracks shall be installed inside the compartment with two (2) channels on the left wall and two (2) channels on the right wall. The tracks shall be positioned to provide support for equipment mounting. The length of the tracks shall be sized to allow for optimum use of the compartment interior.

ADJUSTABLE SHELVES

One (1) adjustable shelf(s) shall be constructed of .188" thick smooth aluminum plate and be mounted in specified compartments with double bolt cast aluminum shelf brackets. Each shelf shall have a broken front edge, and a broken rear edge for added strength and reinforcement. All shelves shall be orbital DA finish.

COMPARTMENT SHELF GRATING

The specified compartment shelf shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

The specified Dri-Dek grating shall be black in color.

The compartment shelf and or shelves shall have reflective striping added to the outside lip. The stripe shall be a 1-1/2" minimum in width.

Specified part shall include Red and White DOT approved reflective striping.

COMPARTMENT GRATING

The compartments shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

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COMPARTMENT GRATING EDGE

The Dri-Dek grating shall be equipped with beveled edges where required.

The specified Dri-Dek grating shall be black in color.

COMPARTMENT LIGHTING

The specified compartment shall have two (2) vertical Code 3 800 series lights installed.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

PUMP HOUSE COMPARTMENT (PH2)

There shall be a compartment located on the lower passenger side of the pump house. The compartment dimensions shall be approximately 11.5" wide x 18" high x 18" deep.

COMPARTMENT VENTILATION LOUVERS

The specified compartments shall be provided with ventilation louvers. These units shall be approximately 4" to 6" in size to allow exterior air or interior air movement.

COMPARTMENT FLOOR DRAIN

The compartment shall be provided with rear corner floor drains to the underside of the body.

COMPARTMENT GRATING

The compartments shall be fitted with removable interlocking vinyl Dri-Dek grating. This material shall be resistant to heat, cold, ultra-violet radiation, mechanical impacts, chemical actions and is corrosion resistant.

COMPARTMENT GRATING EDGE

The Dri-Dek grating shall be equipped with beveled edges where required.

The specified Dri-Dek grating shall be black in color.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

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SLIDE-IN REAR LADDER COMPARTMENT - PASSENGER SIDE

The rear passenger side of the apparatus body shall have a vertically mounted slide-in ladder storage compartment. The compartment shall be **capable** of storing one (1) *20-foot three-section Duo Safety model #912 ladder, one (1) *backboard minimum dimensions 72" L x 16" W x 2" H (Ferno "Najo Light NB5500" or similar), one (1) *8-foot long pike pole and one (1) *5-foot digging bar, one (1) *8-foot rubbish hook, *New York Roof Hook with locking pins to secure each item.

*Items are to be purchased by the end user.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

SLIDE-IN REAR SUCTION HOSE COMPARTMENTS

Two (2) suction hose storage compartments will be located above the side storage compartments on both sides of the apparatus. The compartments will hold a combined total of three (3) eight (8) foot sections of four (4) inch hard suction hose and strainer.

Both compartments will be capable of holding two (2) eight (8) foot sections of hose if needed. Each compartment will have a stainless steel painted hinged door on the rear of the compartment. Each compartment door will have a locking positive latching door latch.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

TOP COMPARTMENT TC1

The hose bed shall be provided with a compartment down the center of the hosebed. The top compartment shall have a one piece aluminum treadplate cover. Approximate "clear door opening" dimensions shall be 13" wide by 75" deep and 16" high.

ALUMINUM TREADPLATE DOOR

This compartment shall feature an embossed aluminum diamond plate lid. The lid shall be bare embossed aluminum diamond plate.

DOOR LATCH

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The specified hinged door(s) shall be equipped with a sealed, black lever latch(es). Latch(es) shall be non-locking style.

LIGHTING

The specified compartment shall have no compartment lighting.

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

PAINTED ALUMINUM PANEL

There shall be a smooth aluminum panel bolted to the rear of the center top storage box.

WHEEL WELL LINERS

Wheel well liners designed to protect the body from impact resulting from road debris thrown by the tires shall be installed. The removable liners shall be constructed from UHMW material to encompass the entire inner wheel well area. The liners shall be secured with stainless steel threaded fasteners.

REAR WHEEL FENDERETTES

Polished stainless steel fenderettes shall be installed at each rear wheel opening. The fenderettes shall be positioned outside of the wheel well panel to cover the tire area that extends past the body. The fenderettes shall be secured with stainless steel threaded fasteners.

DRIVERS SIDE BODY -- SCBA CYLINDER STORAGE PROVISIONS

A storage area for an SCBA cylinder shall be provided in the forward area of the driver's side wheel well. Dimensions shall be 8" diameter x 26" deep.

The SCBA door shall be a Cast Products door.

The SCBA cylinder storage tube shall be made from plastic. There shall be rubber matting to cushion the bottle glued into the tube.

DOOR LATCH

The specified hinged door(s) shall be equipped with (1), textured chrome lever latch(es). Latch(es) shall be non-locking style with a raised button.

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SCBA CYLINDER STRAPS

There shall be a 1" nylon tether installed to secure the bottle in the storage tube.

DRIVERS SIDE BODY -- SCBA CYLINDER STORAGE PROVISIONS

A storage area for an SCBA cylinder shall be provided in the rearward area of the driver's side wheel well. Dimensions shall be 8" diameter x 26" deep.

The SCBA door shall be a Cast Products door.

The SCBA cylinder storage tube shall be made from plastic. There shall be rubber matting to cushion the bottle glued into the tube.

DOOR LATCH

The specified hinged door(s) shall be equipped with (1), textured chrome lever latch(es). Latch(es) shall be non-locking style with a raised button.

SCBA CYLINDER STRAPS

There shall be a 1" nylon tether installed to secure the bottle in the storage tube.

PASSENGER SIDE BODY -- SCBA CYLINDER STORAGE PROVISIONS

A storage area for an SCBA cylinder shall be provided in the forward area of the passenger's side wheel well. Dimensions shall be 8" diameter x 26" deep.

The SCBA door shall be a Cast Products door.

The SCBA cylinder storage tube shall be made from plastic. There shall be rubber matting to cushion the bottle glued into the tube.

DOOR LATCH

The specified hinged door(s) shall be equipped with (1), textured chrome lever latch(es). Latch(es) shall be non-locking style with a raised button.

SCBA CYLINDER STRAPS

There shall be a 1" nylon tether installed to secure the bottle in the storage tube.

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PASSENGER SIDE BODY -- SCBA CYLINDER STORAGE PROVISIONS

A storage area for an SCBA cylinder shall be provided in the rearward area of the passenger's side wheel well. Dimensions shall be 8" diameter x 26" deep.

The SCBA door shall be a Cast Products door.

The SCBA cylinder storage tube shall be made from plastic. There shall be rubber matting to cushion the bottle glued into the tube.

DOOR LATCH

The specified hinged door(s) shall be equipped with (1), textured chrome lever latch(es). Latch(es) shall be non-locking style with a raised button.

SCBA CYLINDER STRAPS

There shall be a 1" nylon tether installed to secure the bottle in the storage tube.

RUB RAILS, CLEARANCE LIGHTS, AND REFLECTIVE TAPE

The sides of the lower body area fore and aft of the wheel well area shall be provided with 2" x 1.25" x .250" extruded aluminum rub rails, with end caps or angled corners.

Specified part shall include White reflective striping.

FRONT OF BODY -- PROTECTIVE SURFACE

The entire front of the apparatus body shall include a protective surface, constructed of aluminum tread plate material.

FRONT CORNERS OF BODY -- PROTECTIVE SURFACES

The front corners of the apparatus body shall include a protective surface installed. The surface shall be constructed of polished stainless steel material.

REAR BODY PANELS

The entire rear of the apparatus body shall be painted apparatus color.

OUTER REAR BODY PANELS -- PROTECTIVE COVERING

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The rear outer panels of the body shall have protective surfaces installed on the corners. The protective covering shall be constructed of polished stainless steel material.

TOP OF BODY COMPARTMENTS -- PROTECTIVE SURFACES

The top of the side compartments shall have a protective surfaces installed. The surface shall be constructed of aluminum tread plate material.

ANODIZED ALUMINUM DRIP RAIL

All enclosed compartment doors shall be provided with an aluminum drip rail above the doors.

ALUMINUM – COMPARTMENT DOOR, HINGED OVERLAP

One (1) single, vertically hinged door shall be provide and fabricated from aluminum. The frame of the door shall be constructed of 1.75" x 1.75" x .125" aluminum tubing to prevent corrosion and provide structural support. The spacing created by the frame tubing shall filled with Styrofoam for added support, dent resistance, insulation and noise reduction. The exterior surface shall be .125" aluminum for durability. The interior surface shall be .080" aluminum. There shall be no mechanical fasteners, such as bolt heads or rivets on the inside or outside of the doors.

The exterior of the door shall overlap the opening of the compartment. A .75" lip shall be constructed around the opening of the compartment and the exterior of the door. A rubber seal shall be installed on the .75" lip on both the compartment and the door to provide for a double seal against water and dust. A rain gutter shall be mounted above the door creating a third layer of water protection.

The door shall be designed utilizing a D-ring style latch system. A 6" stainless steel D-ring latch, large enough to accommodate a gloved hand, shall be mounted on the exterior of the door. A stainless steel bezel shall be installed to house and protect the D-ring locking mechanism. The easily serviced bezel shall be mounted utilizing stainless steel screws. The D-ring locking mechanism shall be a double catch design. The first catch shall engage to secure the door in the event of improper closure. The second catch shall seal the door from water and other elements once the door has been properly closed.

The door shall be mounted using a stainless steel piano style hinge and a .25" diameter hinge pin for stability. The vertical hinge shall be mounted to the body frame with threaded inserts and stainless steel screws to preserve functionality and ease of maintenance in the event of damage.

Gas struts shall be utilized to hold the door in the open position and to prevent the door from slamming during closing. The gas struts shall be mounted directly to the door with a stainless steel bracket assembly for stability and ease of maintenance. The gas struts shall be mounted to the interior of the compartment with a fully adjustable assembly.

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The exterior of the compartment doors and the door frames shall be painted to match the body in quality and tone. The interior surface shall not be painted, it shall be sanded utilizing a dual orbital technique.

The specified door(s) shall have a Polished stainless-steel D-ring door handle.

The specified door(s) D-ring handles shall be equipped with manual key door locks keyed to use the 1250 key.

COMPARTMENT DOOR EDGE STRIPING

The hinged compartment doors shall have reflective striping applied on the edges. The stripe shall be a 1-1/2" minimum in width.

Specified part shall include Red and White DOT approved reflective striping.

ALUMINUM – COMPARTMENT DOOR, HINGED OVERLAP

There shall be five (5) double, vertically hinged sets of doors fabricated from aluminum and installed on the apparatus body. Each door shall feature exterior surfaces which overlaps the opening of the compartment. The exterior surface shall be .125" aluminum for durability and damage resistance. The interior surface shall be .080" aluminum for structural support and overall appealing appearance of the compartment. The frame of the doors shall be constructed of 1.75" x 1.75" x .125" aluminum tubing to prevent corrosion and provide structural support. The spacing created by the frame tubing shall be filled with Styrofoam for added support and dent resistance, temperature insulation, and noise reduction.

A .75" lip shall be constructed around the opening of the compartment and the exterior of the door. A rubber seal shall be installed on the .75" lip of both the compartment and the door to provide for a double seal against water and dust. A rain gutter shall be mounted above the latch type door for an added third layer of water protection.

The doors shall be designed utilizing a D-ring latch system. A 6 inch stainless steel D-ring latch, large enough to accommodate a gloved hand, shall be mounted on the exterior of the door to allow the door to seal and fasten in the closed position. A stainless steel bezel shall be installed to house and protect the D-ring locking mechanism. The easily serviced bezel shall be mounted utilizing stainless steel screws for added stability of the mechanism and ease of maintenance in the event of damage. The D-ring locking mechanism shall be of a double catch design. The first catch shall engage to secure the door in the event of improper closure. The second catch will seal the door to water and other elements once the doors has been properly closed.

The doors shall be mounted with a stainless steel hinges with .25" diameter hinge pin for stability. The vertical hinges shall be mounted to the body frame with threaded inserts and stainless steel screws to preserve functionality with use or age and ease of maintenance in the event of damage.

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Gas struts shall be utilized to hold the door in the open position and to prevent the door from slamming during closing. The gas struts are mounted directly to the door with a stainless steel bracket assembly for stability and ease of maintenance. The gas struts shall be mounted to the interior of the compartment with fully adjustable assembly for ease of adjustment and maintenance while increasing stability.

A polished stainless steel scuff guard shall be installed on the bottom of the compartment opening to prevent damage and wear to the paint and finish of the body module due to the removal and storage to equipment in the compartment.

The exterior of the compartment doors and the door jambs shall be painted to match the body in quality and tone. The interior of the door shall not be painted due to lack of exposure and inherent resistance to corrosion. The interior of the door shall be sanded utilizing a dual orbital technique. The sanding shall provide for a smooth, regular, scratch free surface on the interior of the door. The exterior skin to door frame joining seam shall be caulked and painted to provide a moisture proof seal.

Each compartment shall be provided with two vertically hinged doors with one (1) D-ring latch on each door in the set of doors.

The specified door(s) shall have a Polished stainless-steel D-ring door handle.

The specified door(s) D-ring handles shall be equipped with manual key door locks keyed to use the 1250 key.

COMPARTMENT DOOR EDGE STRIPING

The hinged compartment doors shall have reflective striping applied on the edges. The stripe shall be a 1-1/2" minimum in width.

Specified part shall include Red and White DOT approved reflective striping.

REAR STEP

The rear bumper shall be made from aluminum diamondback grip strut. The design of the grip strut shall allow for no debris or dust buildup and will allow for easy clean out with just water.

The step shall be of a three piece design each section to operate independently during body and chassis flexing. The step will be full body width by a minimum 8-inch deep stand off type. When mounted, the loaded rear departure angle will be no less than 22 degrees.

The drop step will have locking positions to allow for up position storage and rear compartment door opening access. The drop step will incorporate a stop in the down position to prevent movement when in use.

AUXILIARY FIXED STEP -- DRIVERS SIDE REAR

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Three (3) Cast Products 8" square cast aluminum auxiliary step(s) shall be provided. The step shall be installed on the rear drivers side of the body.

AUXILIARY FIXED STEP -- PASSENGER SIDE REAR

Three (3) Cast Products 8" square cast aluminum auxiliary step shall be provided. The step shall be installed on the rear passenger side of the body.

HANDRAILS

One (1) knurled type non-slip handrail, approximately 18" in length, shall be vertically installed.

HANDRAILS

Two (2) knurled type non-slip handrail, approximately 42" in length, shall be vertically installed.

HANDRAILS

Two (2) knurled type non-slip handrail, approximately 12" in length, shall be horizontally installed.

HANDRAILS

Two (2) knurled type non-slip handrail, approximately 18" in length, shall be horizontally installed.

HANDRAILS

One (1) knurled type non-slip handrail, approximately 60" in length, shall be horizontally installed.

HOSE BODY CONSTRUCTION SPECIFICATIONS

The hose bed side sheets and floor shall be constructed from aluminum material. The hosebed shall provide two separate hose beds one on the left and one on the right side of the top loaded center dunnage. The hose body shall be free of sharp corners, bolts, or other obstructions that may catch hose and other equipment.

HOSE BED DIVIDER

Two (2) adjustable width hose bed divider constructed from no less than .250 (1/4") aluminum material shall be installed. The divider shall be secured to the hose bed by utilizing adjustable track type channels and fasteners. The divider shall be full length and depth of the hose bed.

HOSE STORAGE BRACKETS

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There shall be two (2) I-Zone hose bracket(s) provided on the rear of the apparatus body one on each side left and right. The mount(s) shall be mounted under CPI fixed step(s). Approx length of the I-zone pole shall be 24".

ALUMINUM HOSEBED GRATING

The hose bed compartment deck shall be constructed entirely from maintenance-free, extruded aluminum slats. The slats shall feature an anodized, contoured, ribbed top surface. The slats shall be of widths approximately 3/4" high x 4.5" wide and shall be welded into a one-piece grid system to prevent the accumulation of water and allow ventilation to assist in drying hose.

ALUMINUM HOSEBED COVER

Two (2) separate aluminum tread plate hose bed covers shall be installed, 1/8-inch aluminum alloy diamond plate reinforced with a 1/8-inch aluminum alloy hat section as needed to support walking on the hose bed covers. The covers shall be hinged on the outboard side using full length polished stainless steel hinges with a minimum 3/8-inch pin and 1-inch joint length and installed to avoid any hindrance in walking on hose bed covers.

The hose bed covers shall have full length handrails installed along the rear lip and one (1) additional grab handle mounted on the top side of the covers and two (2) mechanisms on each cover to assist with opening and closing of the hose bed covers. Each hose bed cover shall have a mechanism to hold the hose bed cover in the open position and will be substantial enough to prevent accidental closing in extreme wind conditions.

The covers shall be reinforced so that they will support the weight of a person walking on the cover and shall be sloped to the outboard side of the apparatus to aid in water run-off.

HOSEBED REAR ENCLOSURE

A vinyl end skirt with three (3) straps, and large quick release buckles (minimum 2-inch) shall be installed on each hose bed cover. Quick release buckles and nylon tie down straps shall be attached to the end skirts. The end skirts will be weighted at the bottom end with a full width flat strip of metal sewn into the hem of the skirt. The end skirts, straps, buckles, etc. will be exposed to direct sun light and shall be protected against UV rays.

The flaps shall be red in color.

HOSEBED -- AREA LIGHTS

(4) Tecniq E10 lights shall be provided and installed on hosebed door(s).

DOOR AJAR SENSOR

The Specified door(s) shall feature a magnetic proximity switch to indicate when the compartment door is ajar.

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WATER TANK SPECIFICATIONS

A United Plastics Fabricating (UPF), 500 gallon booster tank (Poly Tank) shall be fabricated from a minimum of .500" polypropylene complete with a minimum of .375" polypropylene internal full height baffles that are raised 4" off the tank floor for maximum water flow between baffles. In addition, provisions for the main pump outlet, direct tank filler inlet, a pump to tank filler/churn valve inlet, a back pump filler outlet, a fitting for an electronic water level gauge sensor and clean outs for manual tank flushing shall be provided. The tank shall be structurally reinforced and restrained to prevent deformities or damage to the tank or apparatus body during stressed off road operations. The booster tank shall be a rectangular design, and shall be capable of being completely removable from the body without cutting or bending of any components. The tank and cradle assembly shall be mounted to the chassis frame in strict accordance to the tank manufacturer's installation guidelines.

The water tank shall be constructed of polypropylene, nitrogen-welded and tested inside and out. The tank manufacturer shall define the floor, top, sides, ends, and baffles material thicknesses. The tank shall carry a lifetime warranty. The water tank shall be manufactured by United Plastic Fabrication.

The transverse and longitudinal swash partitions shall be interlocked and welded to each other as well as to the walls of the tank. The partitions shall be designed and equipped with vent holes to permit air and liquid movement between compartments. The .cover shall be recessed .375" from the top of the side walls. Hold down dowels shall extend through and be welded to both the covers and the transverse partitions, providing rigidity during fast fill operations. Drilled and tapped holes for lifting eyes shall be provided in the top area of the water tank.

The water tank manufacturer shall certify the capacity of the water tank prior to delivery of the apparatus. This capacity shall be recorded on the manufacturer's record of construction and the certification shall be provided to the purchaser when the apparatus is delivered. Tank construction shall conform to applicable NFPA standards.

The water tank shall be configured in a rectangular style with consistent widths on the sides from top to bottom.

TANK FILL AND OVERFLOW PROVISIONS

The water tank shall have a combination vent and manual fill tower. The fill tower shall be fabricated from 1/2" polypropylene and shall have a minimum outer perimeter dimension of 8" x 8". The tower shall have a 1/4" thick polypropylene screen and a polypropylene hinged cover. Inside the fill tower, halfway down from the top, shall be fastened a vent overflow pipe. The vent overflow shall be fabricated from Schedule 40 polypropylene pipe, with a minimum I.D. of 4". The vent overflow shall be designed to run through the tank interior and shall be designed to exit the water tank interior behind the rear wheels.

The tank cover shall be fabricated from 1/2" thick polypropylene and shall incorporate a three-piece design which allows for the removal of each individual cover section for inspection or repair of the tank interior, if necessary. The tank cover shall be recessed 3/8" from the top of the tank sides and shall be welded to both the sides and the

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longitudinal baffles. Each of the three cover sections shall have hold downs to assist in keeping the cover rigid under fast filling conditions. These hold downs shall consist of 2" polypropylene dowels, spaced a maximum of 30" apart, fitted and then welded to the transverse partitions. The dowels shall extend through the cover sections and be welded to them. Two of the dowels shall be drilled and tapped to accommodate the tank lifting eyes.

The sump shall have a minimum dimension of 8" x 6" with a 3/4" thick bottom. On all tanks with a bulkhead suction inlet, a 3" Schedule 40 polypropylene pipe sweep shall be provided from the front of the tank to the sump location. The sump shall have a threaded plug located at the bottom of it for a tank drain and clean out.

There shall be two standard tank outlets: one for the tank to pump suction line, which shall be a minimum of a 3" NPTF coupling, and one for a tank fill line, which shall be a minimum of a 1-1/2" NPTF coupling. All tank fill couplings shall be backed with flow deflectors to break up the stream of water entering the tank.

The water tank shall rest on the body subframe cross members, which shall be spaced a maximum of 22" apart. The tank shall be insulated from those cross members by hard rubber insulators, with a minimum thickness of 1/4", glued and mechanically fastened to the cross members to protect the tank from direct contact with the steel body subframe. The tank shall be designed on a free-floating suspension principle and shall not require the use of additional hold downs. The tank shall be completely removable without disturbing or dismantling the apparatus body structure.

VENT AND OVERFLOW

The fill tower shall incorporate a vent and overflow system shall be designed into the water tank. The system shall include a 3" diameter PVC pipe that functions both as an air vent while emptying the tank and as an overflow when filling the tank. The overflow shall discharge excess water below the frame rails of the vehicle.

TANK SUMP AND DRAIN PROVISIONS

A one (1) cubic foot (minimum) polypropylene sump, with anti-swirl baffles shall be provided. The sump shall be located as close to the center of the tank floor as the chassis cross members, and differential driveline will allow.

One (1) 3-inch or 4-inch National Pipe Thread (NPT) outlet and plug shall be provided in the sump floor for flushing of the tank. A 1½-inch drain valve shall be provided in the tank sump for flushing of the booster tank. The valve will be located as to provide for adequate clearance from cross members and differential during extreme twisting motions of the chassis and buildup

The sump shall also be provided with a 1-inch NPT outlet for the back pump filler hose.

Due to space constraints, it may be necessary to locate the main pump suction outlet in the tank sump for maximum water usage. The main pump suction tube will be of an adequate size to supply the main pump with enough water to meet pump ratings.

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A minimum 3-inch direct tank fill NPT inlet and internal manifold shall be provided on the left rear of the tank. If the direct tank fill inlet is located on the rear tank wall, the inlet manifold shall pass through the first baffle and feature a turn down to eliminate any possible damage to the tank or baffles while filling the tank.

WATER TANK DRAIN PROVISIONS

A 3" plugged drain provision shall be installed in the bottom of the water tank, sump, or plumbing for water tank draining and the flushing-out of debris.

CLASS A FOAM TANK SPECIFICATIONS

The Class A foam tank shall have a capacity of 20 gallons. The foam tank shall be manufactured by UPF and have a lifetime warranty.

The tank shall be equipped with a positive sealing pressure/vacuum vent type cap, a low foam concentrate sensor that turns off the foam pump at a pre-set level, a visual sight gauge, an easily accessible brass or stainless steel drain valve located at the lowest point of the foam tank and an accessible brass or stainless steel cleanable strainer installed in the supply line from the foam tank to the foam pump.

The foam tank shall be mounted on a removable sub-structure. The tank will have a positive tie down. The tie down will allow for easy removal of the foam tank.

The foam tank will have two (2) quarter turn brass or stainless shut off valves at the pump supply and fill lines to allow for the removal of the tank without loss of foam. The float switch harness and the foam concentrate supply and fill lines shall have connections located adjacent to the tank to facilitate foam tank removal.

FOAM TANK FILL AND VENTING PROVISIONS

The foam concentrate tank shall be provided with a fill pipe having a volume of not less than 2 percent of the total tank volume. The filler opening shall be capped with a sealed air-tight threaded cover. The fill opening shall be designed to incorporate a removable screen and shall be located so that foam concentrate from a five (5) gallon container can be dumped into the tank.

The foam tank filler shall be equipped with a pressure/vacuum vent that enables the tank to compensate for changes in pressure or vacuum when filling or withdrawing foam concentrate from the tank. The pressure/vacuum vent shall not allow atmospheric air to enter the foam tank except during operation or to compensate for thermal fluctuations. The vent shall be protected to prevent foam concentrate from escaping or directly contacting the vent at any time. The vent shall be of sufficient size to prevent tank damage during filling or foam withdrawal.

A color coded label or visible permanent marking that reads "CLASS A -- FOAM TANK FILL" shall be placed at or near the foam concentrate tank fill opening. An additional label shall be placed at or near any foam

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concentrate tank fill opening stating the type of foam concentrate the system is designed to use.

Any restrictions on the types of foam concentrate that can be used with the system shall also be stated, along with a warning message that states "WARNING: DO NOT MIX BRANDS AND TYPES OF FOAM."

A 3/4" diameter connection, piping, and gate type valve shall be installed for the foam tank for draining purposes.

DIRECT TANK FILL - REAR DRIVERS SIDE

A valve for direct filling of the tank shall be supplied. The 1/4 turn valve shall be configured with 2-1/2" NH female threads, debris screen, threaded plug with retention chain and lever handle. The valve shall be located on the drivers side rear of the apparatus.

One (1) Akron 8825 series swing-out style valve(s) shall be supplied and installed. All valves shall be designed to operate under normal conditions up to 500 PSI and shall have dual seats to work in both pressure and vacuum environments. All valves and controls shall be easily accessible for service, repair or replacement.

The specified valve shall have a direct actuated 'local' control Akron Model TSC valve handle.

One (1) chrome brass 2-1/2" NH rocker lug plug with a securing chain or cable shall be installed on the intake.

(1) chrome plated brass 30 degree elbow with 2.5" swivel female NH x 2.5" male NH thread with rocker lugs shall be provided on the direct tank fill.

BACK PACK FILL SYSTEM

There shall be one (1) back pack fill system provided and installed on the lower area of the pump panel. The valve plumbing shall be 3/4" I.D. hose.

12 VOLT ELECTRICAL SPECIFICATIONS

The following describes the low voltage electrical system on the apparatus including all panels, electrical components, switches and relays, wiring harnesses and other electrical components. The apparatus manufacturer shall conform to the latest Federal DOT standards, current automotive electrical system standards, and the applicable requirements of the NFPA 1906.

Wiring shall be stranded copper or copper alloy conductors of a gauge rated to carry 125 percent of the maximum current for which the circuit is protected. Voltage drops shall not exceed 10 percent in all wiring from the power source to the using device. The wiring and wiring harness and insulation shall be in conformance to applicable SAE and NFPA standards. The wiring harness shall conform to SAE J-1128 with GXL temperature properties. Exposed wiring shall be run in a loom with a 290 degree Fahrenheit rating. Wiring looms shall be

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properly supported and attached to body members. Electrical conductors shall be constructed in accordance with applicable SAE standards, except when good engineering practice requires special construction.

All wiring connections and terminations shall provide positive mechanical and electrical connections and be installed in accordance with the device manufacturer's instructions. When wiring passes through metal panels, electrical connections shall be with mechanical type fasteners and rubber/plastic grommets.

Wiring between cab and body shall be split using Deutsch type connectors or enclosed in a terminal junction panel allowing body removal with minimal impact on the apparatus electrical system. Connections shall be insulated with heat shrink crimp-type tubing to resist moisture and foreign debris such as grease and road grime. Weather resistant connectors shall be provided throughout the system.

Electrical junction or terminal boxes shall be weather resistant and located away from water spray conditions. When required, automatic reset breakers and relays shall be housed in the main body junction panel.

There shall be no exposed electrical cabling, harnesses, or terminal connections located in compartments, unless enclosed in an electrical junction box or covered with a removable electrical panel. Wiring shall be secured in place and protected against heat, liquid contaminants and damage and shall be uniquely identified at least every six inches (6") by color coding or permanent marking with a circuit function code and identified on a reference chart or electrical wiring schematic per requirements of applicable NFPA 1906 standards.

Low voltage protective devices shall be provided for the electrical circuits. The devices shall be accessible and located in required terminal connection locations or weather resistant enclosures. Over current protection devices shall be automatic reset type suitable for electrical equipment and meet SAE standards. All electrical equipment, switches, relays, terminals, and connectors shall have a direct current rating of 125 percent of maximum current for which the circuit is protected. Electro-magnetic interference suppression shall be provided in the system as required in applicable SAE standards.

The electrical system shall include the following:

Electrical terminals in weather exposed areas shall have a non-conductive grease or spray applied. All terminal plugs located outside of the cab or body shall be treated with a corrosion preventative compound.

All electrical wiring shall be placed in a protective loom or be harnessed.

Exposed connections shall be protected by heat shrink material and sealed connectors.

Large fender washers shall be used when fastening equipment to the underside of the cab roof and all holes made in the roof shall be caulked with silicone.

Electrical components installed in exposed areas shall be mounted in a manner that will not allow moisture to accumulate inside.

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A service loop shall be provided behind an electrical appliance to allow them to be pulled away from mounting area for inspection and service work.

Upon completion of the vehicle and prior to delivery, the apparatus shall be electrically tested and the electrical testing, certifications, and test results shall be submitted with delivery documentation per requirements of NFPA 1906.

ELECTRICAL WIRING HARNESS

The electrical system shall be divided into separate harnesses. The individual harness shall be connected with Deutsch type quick connectors. The wiring and appliances shall be protected by automatic reset type circuit breakers.

REAR CENTER CONSOLE

There shall be a center console located between the rear bucket seats. The rear console shall feature a recessed top storage area with a single front drawer.

CUP HOLDER

The console shall have two (2) cup holders installed. Exact location to be determined at the preconstruction meeting.

The specified compartment(s) shall be coated with Black/Black colored Multi-Spec paint.

12 VOLT POWER SOURCE

There shall be two (2) 12 volt plug-in utility power connection(s) rated at 20 amps provided and installed in the cab console.

The specified power source shall be wired to the switched battery circuit.

USB CHARGING PORT

Two (2) USB charging port(s) shall be installed in the cab of the truck for the fire departments accessory devices. The USB charging port shall have two (2) USB connections and shall have a 5 volt, 4.8A output with Intelligent Device Recognition capabilities.

The specified power source shall be wired to the switched battery circuit.

CUSTOM FABRICATED CONSOLE

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A custom fabricated electrical console and enclosure shall be located between the driver's and the officer's seating positions. The center console will contain*two* USB dual 2.1-amp dual inlet charging ports one on the side of each seat in the front and two in the rear of the center console facing back on either side of the console.

USB CHARGING PORT

Four (4) USB charging port(s) shall be installed in the cab of the truck for the fire departments accessory devices. The USB charging port shall have two (2) USB connections and shall have a 5 volt, 4.8A output with Intelligent Device Recognition capabilities.

The specified power source shall be wired to the switched battery circuit.

REAR OF CENTER CONSOLE MOUNTING BOARD

On the very rear of the console shall be a vertical plate approximately 12-16 inches high that shall have four Zico UHH-11 fire helmet holders that will hang four wildland helmets for firefighters. This vertical plate will be from 1/4-inch steel will be removable with bolts and have vertical support brackets and gussets at the base for reinforcement.

The mounting board shall have two (2) Bendix King CHKNGVC9R2BE 12-volt dual chargers, USB charging ports mounted on both sides of the rear of the front seats next to the helmet racks on the helmet rack support.

The chargers will be powered when the ignition is on or the truck is plugged into shoreline power.

SPARE WIRING

Five (5) pair of spare wiring shall be provided. One wire shall be 12-volt battery switched controlled and the other shall be a 12-volt, 15-amp fused ignition switch controlled circuit.

The wiring shall be labeled as to their function, coiled, and located within the center console and behind the rear seat. Additional ignition and battery fuse panel (blue sea style) shall be included and will terminate in the center console.

BATTERY SWITCH - MASTER DISCONNECT

A battery cutoff switch shall be provided in the cab within easy reach of the driver; by the chassis manufacturer. There shall be a 200amp continuous rated solenoid installed and switched by the OEM battery master switch.

150 AMP CIRCUIT BREAKER

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A "Class 1" (or equal) 150-amp circuit breaker shall be located between the master battery switch and the sub-panel. The 150-amp circuit breaker shall be located in an enclosed compartment with a removable door with four bolts that will be located in the battery box.

The wiring going to and from the circuit breakers will be insulated with loom and have rubber grommets where the wiring passes through metal compartments. All terminals on this panel shall be properly labeled and numbered with permanent, moisture and heat resistant material.

BATTERY CHARGER

A Kussmaul Autocharge 1200 PLC, model #091-187-12, automatic battery charger shall be provided. The battery charger shall be wired to the 12 volt battery system. Charger maintainer will be installed behind the rear seat driver's side. This area will be enclosed with 1/8-inch aluminum with a bolt on access cover with four bolts for servicing and have two 120-volt muffin fans on one side with equal breathing diameter holes on the opposite side that are activated when the engine is plugged in to 120 volts.

KUSSMAUL SUPER AUTO EJECT DELUXE COVER

There shall be a Super Auto Eject with Deluxe Cover with Digital Display installed. The Super Auto Eject shall be a 120V, 15A eject. The digital display shall show volts and amps. Super Auto Eject shall be installed on the drivers' side of the cab with a 3/16 aluminum plate that has gussets installed on the angle bracket below the door and jam and not contacting the frame or battery box.

The specified auto eject cover shall be red.

IDENTIFICATION LIGHTS

All LED identification lights shall be installed on the vehicle as required by applicable highway regulations.

LICENSE PLATE MOUNTING

A front, predrilled license plate position shall be installed in the front bumper if permissible to the design. Passenger side.

LICENSE PLATE MOUNTING AND LIGHT

A predrilled backing plate and LED light shall be installed on the rear for mounting of the license plate.

STOP, TAIL, LIGHTS

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Two (2) Peterson #817KR-7 4" LED lights shall be installed as stop/tail lights on the rear of the apparatus. They shall be grommet mounted.

TAIL LIGHTS

Two (2) Peterson #817KR-7 4" LED lights shall be installed as turn signal lights on the rear of the apparatus above the stop/turn lights. They shall be grommet mounted.

BACK UP LIGHTS

Two (2) Peterson #M817C-7 4" LED lights shall be installed as back up lights on the rear of the apparatus. They shall be grommet mounted.

ZONE C-- LOWER REAR WARNING LIGHTS

Two (2) Whelen M6 Series Model # M6RC warning light shall be provided. The warning light shall incorporate Linear Super-LED® and Smart LED® technology. The M6RC configuration shall consist of 18 red Super-LEDs and a clear optic polycarbonate lens.

The lens/reflector assembly shall be sealed and resistant to water, moisture, dust, and other environmental conditions. The hard coated lens shall provide extended life/luster protection against UV and chemical stresses.

The specified Whelen M6 lights shall be equipped with chrome plastic flange type light bezel mountings.

MAP LIGHT

One (1) Havis Shields #C-MAP-T-LED 12" LED map light, 12 volt, with a gooseneck arm and an on-off switch located on the base of the light shall be installed on the dashboard.

FRONT BUMPER -- GROUND LIGHTS

There shall be two (2) Tecniq E10, LED ground light(s) installed under the front bumper. The lights shall activate by a button located on the Cencom core control head, and any time a cab door is opened.

CAB GROUND LIGHTS

There shall be four (4) Tecniq E10, LED ground lights installed under the cab door(s). The lights shall activate by a button located on the Cencom core control head, and any time a cab door is opened.

GROUND LIGHTS - PUMP PANEL

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There shall be two (2) Tecniq E10, LED ground lights installed under the pump panel running board(s). The lights shall activate by a button located on the Cencom core control head, and any time a cab door is opened.

GROUND LIGHTS - UNDER REAR STEP

There shall be two (2) Tecniq E10, LED ground lights installed under the rear step area. The lights shall activate by a button located on the Cencom core control head, and any time a cab door is opened.

PIONEER MICRO

There shall be two (2) Whelen Pioneer Micro lights provided and installed on the apparatus. They shall be located in the center section of the front bumper in provided cutouts. The lights shall be controlled by a button labeled "Scene Front" on the Whelen siren controller.

FRONT BUMPER BEZEL

The center of the front bumper shall feature a bezel, the bezel shall trim out around the front tow plate and front Whelen Micro Pioneer lights and have an BME logo. The BME logo shall have reflective material behind it.

REFLECTIVE BACKGROUND

Part shall feature a Red reflective background.

The scene lights shall be activated by individual buttons or switches on the cab center console. Left, right, and rear scene light controls.

PIONEER MICRO

There shall be six (6) Whelen Pioneer Micro lights provided and installed on the apparatus.

The lights shall be located:

- One located on each side of the pump house recessed into upper panels. Controlled by "Left Scene" and Right Scene switches on the Whelen siren controller
- Two located under the middle steps on the back of the apparatus. They shall be operated by the "Rear Scene" switch located on the Whelen siren controller
- Two (2) mounted rear facing under the rear of the body.

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The scene lights shall be activated by individual buttons or switches on the cab center console. Left, right, and rear scene light controls.

PIONEER PLUS SCENE LIGHT

There shall be two (2) Whelen Pioneer Plus model# PCH1P1 with a switch and pole/pedestal mount located on the rear of the apparatus. The light heads shall be white in color. The light's shall be supplied with battery switched power, and be activated with the included light mounted switch.

DOOR OPEN WARNING LIGHT

The door ajar warning system shall be separated into four zones, a Left, Right, upper hosebed area, and Rear zone. Each zone shall have an individually labeled warning light and also activate an audible alarm. The door ajar lights and audible alarm shall activate only when the apparatus parking brake has been released.

RADIO PRE-WIRE

There shall be a radio pre-wire provided in the cab center console. The prewire shall consist of a battery hot, battery switched, and a ground source.

RADIO SPEAKERS MOUNT

An interior cab ceiling mounted box shall be installed and be pre wired, routed to the center console. The box shall be big enough to mount a speaker and be powder coated black.

RADIO ANTENNA INSTALLATION

There shall be four (4) radio antenna installed on the apparatus and routed to the cab center console.

BACK UP ALARM

One (1) solid state back up alarm shall be provided at the rear of the apparatus. The back up alarm shall be wired to the reverse circuit of the transmission, and shall provide an audible alarm to the rear of the apparatus when reverse gear is selected. The alarm shall have a volume of 87 to 112 db while in operation.

BACK UP CAMERA

There shall be a Rear View Safety back up camera system supplied and installed on the apparatus. The camera system shall consist of a 7" TFT LCD Digital Color Display, 130° Ultra Wide Angle Back Up Camera. Part #

BME Fire Trucks LLC

RVS-770613-HD. A reverse sensing RVS-770613HD auto dimming back up camera system shall be installed with a seven-inch monitor.

The camera for this system will be mounted in the dead box facing rear between hose beds covers.

The camera screen will be located in the open compartment facing rear in the dash.

This camera will not contact the stacked CAL FIRE stacked logo.

HEADLIGHT FLASHER

The white portion of the Whelen, M6DD light heads shall be programmed to function as the wig wags. It shall be activated in the “calling for the right of way” mode and be turned off in the “blocking of the right of way” mode by applying the parking brake. Should the feature need to be interrupted, the wig wags shall also incorporate a separate cut off switch on the Whelen CORE control head.

ELECTRONIC SIREN

A Whelen CenCom Core C399 electric siren and lighting control module shall be installed. The siren shall be wired through the siren control head and the OEM horn ring and be activated only when the *calling for the right of way* function has been activated.

WHELEN CORE CONTROL HEAD

There shall be a Whelen model CCTL6 control head supplied with the Cencom Core system. It features a 3 section control head, with 8 push buttons, 4- position slide switch with a 7 position rotary knob. A manual siren and air horn button, and 3 traffic advisor control buttons.

WHELEN CORE WECANX TRAFFIC ADVISOR MODULE

There shall be a Whelen model CTA Traffic Advisor module interfaced with the Cencom Core system.

SIREN SPEAKER

One (1) Whelen Model #SA315P siren speaker shall be provided. The 100 watt siren speaker shall be designed in a black nylon composite housing with 123 decibel rating.

ZONE A FRONT UPPER -- LIGHTBAR

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One (1) Whelen Model #TB-CALFIRE-ECT-M34 Cenator series WeCanx light bar shall be installed on the apparatus. The lightbar shall feature the following:

- Eight forward facing RED/WHT LIN6 lights
- Two forward facing LED take down lights.
- A left and right facing LED take down light.
- Four corner RED/WHT LIN6 lights.
- Two rear facing RED/AMBER LIN6 lights.

ZONE A -- LOWER FRONT WARNING LIGHTS

Two (2) Whelen M6 Series Model # M6D warning light shall be provided. The red portion shall be used as a front warning light and the white portion shall be used as front wig wags as well as additional area lighting when needed.

The specified Whelen M6 lights shall be equipped with chrome plastic flange type light bezel mountings.

ZONE A -- LOWER FRONT WARNING LIGHTS

Two (2) Whelen WIONSMCR lights shall provided and installed on the front face of the bumper, towards the outer edge.

ZONE B AND D-- FRONT INTERSECTION

Two (2) Whelen M6 Series Model # M6RC warning light shall be provided. The warning light shall incorporate Linear Super-LED® and Smart LED® technology. The M6RC configuration shall consist of 18 red Super-LEDs and a clear optic polycarbonate lens.

The lens/reflector assembly shall be sealed and resistant to water, moisture, dust, and other environmental conditions. The hard coated lens shall provide extended life/luster protection against UV and chemical stresses.

The specified Whelen M6 lights shall be equipped with chrome plastic flange type light bezel mountings.

ZONE B AND D LOWER MID-BODY WARNING LIGHTS

Two (2) Whelen M6 Series Model # M6RC warning light shall be provided. The warning light shall incorporate Linear Super-LED® and Smart LED® technology. The M6RC configuration shall consist of 18 red Super-LEDs and a clear optic polycarbonate lens.

The lens/reflector assembly shall be sealed and resistant to water, moisture, dust, and other environmental conditions. The hard coated lens shall provide extended life/luster protection against UV and chemical stresses.

The specified Whelen M6 lights shall be equipped with chrome plastic flange type light bezel mountings.

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ZONE B AND D-- UPPER SIDE REAR WARNING LIGHTS

Two (2) Whelen M6 Series Model # M6RC warning light shall be provided. The warning light shall incorporate Linear Super-LED® and Smart LED® technology. The M6RC configuration shall consist of 18 red Super-LEDs and a clear optic polycarbonate lens.

The lens/reflector assembly shall be sealed and resistant to water, moisture, dust, and other environmental conditions. The hard coated lens shall provide extended life/luster protection against UV and chemical stresses.

The specified Whelen M6 lights shall be equipped with chrome plastic flange type light bezel mountings.

ZONE C UPPER REAR

Two (2) Whelen M6 Series Model # M6RC warning light shall be provided. The warning light shall incorporate Linear Super-LED® and Smart LED® technology. The M6RC configuration shall consist of 18 red Super-LEDs and a clear optic polycarbonate lens.

The lens/reflector assembly shall be sealed and resistant to water, moisture, dust, and other environmental conditions. The hard coated lens shall provide extended life/luster protection against UV and chemical stresses.

The specified Whelen M6 lights shall be equipped with chrome plastic flange type light bezel mountings.

REAR TRAFFIC ADVISOR, EIGHT (8) L.E.D. LAMPS

A Whelen TAZ86 eight lamp LINZ6 Super-LED Traffic Advisor with all amber lights shall be provided and mounted at the rear of the body. The solid state traffic advisor shall include model TACTL5 control head, or it can be directly connected to a Whelen CenCon Siren Head Controller.

PAINT CODES/COLORS

The apparatus shall be painted the following color(s).

The apparatus shall be the International 209 paint schematic with Pierce Red 277 main/lower color and Pierce White 267 secondary/upper color. The body shall be a single tone Pierce Red 277.

PAINTING -- EXTERIOR CAB

The cab roof will be painted the specified white down to the drip molding on both sides, to the top of the windshield and a line parallel to the top of the rear window. The exterior of the chassis cab shall be finish painted in a two tone finish by the chassis manufacturer.

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BODY PAINTING SPECIFICATIONS

All exposed surfaces shall be prepared and painted using a multi-step process to ensure a blemish-free, protective coating for the base metal materials.

All removable items, such as brackets and compartment doors, shall be removed and painted separately to insure finish paint behind them after they are reinstalled.

Due to its modular design, the apparatus body shall be completely finish painted prior to its installation on the chassis.

The body shall be sanded, and cleaned. Any imperfections or defects in the metal shall be corrected with premium body filler and then sanded smooth.

An epoxy primer shall be utilized on all painted and coated surfaces and shall prepare the metal for the final paint. The direct-to-metal primer shall be used to create a first level seal allowing secure adhesion between the base metal and the subsequent substrates.

All body and components shall then be primed, thoroughly sanded, and meticulously inspected for any imperfections; which shall be properly corrected..

All surfaces shall then be painted with a base coat of premium paint following the guidelines as established by the paint manufacturer. The body shall be painted using a single color to match the cab primary color, and then shall be buffed to a high gloss finish.

INTERIOR COMPARTMENT FINISH

The interior wall, floor and ceiling surfaces of compartments shall be finished with Rust-Oleum brand Multispec color flecked paint. The final color combination shall be determined in pre-con.

The specified compartment(s) shall be coated with Gray Stone colored Multi-Spec paint.

TOUCH-UP PAINT

Touch-up paint (one for each color) shall be furnished with the completed truck at final delivery.

VALVE PAINTING

All exposed valves shall be painted to match the color of the exterior body.

MISC PAINTING

BME Fire Trucks LLC

The fuel tank support brackets, air tanks and mounting brackets shall be painted job color red.

STRIPING & LETTERING

There shall be a custom striping and lettering package installed on the apparatus. The specifications/pricing of the package are yet to be determined.

LOOSE EQUIPMENT

The following equipment shall be provided with the completed apparatus. The equipment shall be new and unused, and shall meet all current NFPA safety regulations.

One (1) 7-foot length of 4-inch Kochek Maxi-Flex Suction Hose (small lug) w/NH threads

Two (2) 8-foot length of 4-inch Kochek Maxi-Flex Suction Hose (small lug) w/NH threads

One (1) 4-inch Kochek Suction Hose Strainer w/NH threaded couplings

Three (3) Hard line, ¾-inch x 50-foot sections, 800 psi test pressure with 1-inch NPSH threads

Two (2) Gated Wyes, 2½-inch NH Female to 1½-inch NH Male with chrome caps

Two (2) Heavy duty yellow extruded aluminum chock blocks (Worden Safety Products Co., HWC7YWH or equivalent)

One (1) Pike Pole 8-foot Fiberglass

One (1) Digging Bar, 5-foot (Porter # 17700 or equivalent)

One (1) Three section, 20-foot, aluminum extension ladder with halyards

Four (4) Ziamatic # UH-6-30-2-SF walk-a-way mounting brackets with safety straps for MSA Stealth L-30 SCBA bottles (BME Mounted)

Two (2) 5-pound dry chemical ABC commercial grade portable fire extinguisher with permanent mounting brackets. (Kidde # 5TCM-4 or equal)

One (1) Set of FMVSS #125 approved bi-directional triangle warning reflector (set contains 3)

Two (2) Holtz Rubber Company (Lodi, CA) neoprene long-handle tool holder sets, shall be provided

One (1) 1½-inch NH female to 2½-inch NH male adapter

One (1) Zico # QM-CSM Chain Saw Mount

One (1) Akron # 448 Spanner Wrench Mount w/ two (2) style 10 Wrenches

BME Fire Trucks LLC

One (1) Wheel lug nut wrench and handle, Budd #44201, 32-inch long (Vendor to state if providing a substitute)

One (1) 12-ton hydraulic jack, with screw extension ram

Cal-Fire Tag On Adjustment

4 PRODUCT WARRANTIES

Exhibit "C"



FIRE TRUCKS

STANDARD WARRANTY

BASIC COVERAGE:

BME Fire Trucks LLC. warrants each new piece of Fire and Rescue Apparatus to be free from defects in material and workmanship under normal use and service and will at it's option repair or replace any part of this vehicle which proves defective in material and/or workmanship with new or re-newed parts for the first 12 months from new vehicle delivery date. This warranty shall not apply to any new product, which has been subjected to misuse, neglect, modification, alteration, accident, and lack of normal maintenance or items used in routine maintenance.

COMPONENT COVERAGE:

Certain components are given additional warranty coverage of variable time periods and distance traveled limitations. Component examples are frame rails, chassis cab components, engines, transmissions, driveline systems, water tank, etc. and are warranted by their respective manufacturers. Extended warranties are also available on many other specified chassis and body components and can be purchased as needed with the vehicle. Additional warranty coverage and extended warranties will vary depending on components specified and supplied. You may obtain more information regarding additional and extended coverage by contacting BME Fire Trucks LLC. or your local Boise Mobile Equipment Dealer.

DISCLAIMER:

NO WARRANTIES ARE GIVEN BEYOND THOSE DESCRIBED HEREIN. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED. THE COMPANY SPECIFICALLY DISCLAIMS WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL OTHER REPRESENTATIONS TO THE USER/PURCHASER, AND ALL OTHER OBLIGATIONS OR LIABILITIES. THE COMPANY FURTHER EXCLUDES LIABILITY FOR INCIDENTAL AND CONSEQUENTIAL DAMAGES, ON THE PART OF THE COMPANY OR SELLER. No person is authorized to give any other warranties or to assume any liabilities on the Company's behalf unless made or assumed in writing by the seller; and no other person is authorized to give any warranties or to assume any liabilities on the seller's behalf unless made or assumed in writing by the seller.

OBTAINING SERVICE:

Return the vehicle to any BME Fire Trucks LLC. dealer/authorized service center; return the vehicle to BME Fire Trucks LLC.; or contact BME Fire Trucks LLC. When contacted, BME Fire Trucks LLC. will authorize repair or replacement of parts as outlined above; will authorize a return



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of parts for inspection/repair or replacement if required; will direct you to the nearest Boise Mobile Equipment authorized service center if necessary.



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FIRE TRUCKS

10-YEAR BODY STRUCTURE WARRANTY

BODY STRUCTURAL WARRANTY

BME Fire Trucks LLC. (hereafter known as BME) warrants the fire body shall be free of structural or design failure or workmanship for a period of ten (10) years from the date the apparatus is put into service by the end user. This warranty is extended to the original purchaser only and terminates upon transfer of ownership or possession to any other entity.

A body is defined as the structure, which fabricated from steel, stainless steel or aluminum sheet metal and the associated framework that comprises fire body separate of the chassis cab area where the driver, passengers and controls are located. This warranty is strictly limited to that part of the body manufactured by BME and as defined above, exclusive of all hardware, purchased components, mechanical items, electrical items, or paintwork.

This warranty is expressly limited to the repair and/or replacement of defective items as BME may elect upon examination of any defects in material or workmanship. This warranty covers only labor for repair or replacement, which is reasonably necessary as determined by BME. All repairs must be expressly approved in writing by the BME warranty department prior to any work being performed. The failure to obtain approval for repairs from BME or to have the body repaired or replaced at BME or a place designated by BME shall void this warranty. Any repair or replacement performed by BME pursuant to this warranty shall be warranted under this warranty only for the duration of the original warranty.

BME's obligation to render any repairs under this warranty is subject to the following conditions in their entirety:

1. The claimed failure must be reported to BME, Inc within the above stated warranty period.
2. The claimed defective body must be returned to BME or an authorized BME warranty service center immediately after notification of BME. Transportation costs will be the responsibility of the purchaser, as will any charges for drivers, loading, unloading, or other costs associated with the transportation of the chassis.
3. BME will then have the unconditional right to examine the body to determine if the claimed defect falls within the scope of this warranty.



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This warranty shall not cover the following:

1. Damage caused by fire, misuse, neglect, or accident.
2. Damage caused by theft, vandalism, riot, or explosion.
3. Damage caused by acts of God such as lightning, flood, hurricane, etc.
4. Damage that may or may not, at BME's discretion, be caused by or associated with unauthorized repairs or modifications.
5. Damage that may or may not, at BME's discretion, be caused by or associated with lack or improper maintenance procedures.
6. Loss of time, loss of use of the chassis, inconvenience, lodging, food, or other consequential loss that may result from the claimed failure of the repair and claim procedure.

This warranty is expressly in lieu of all other warranties, expressed or implied.



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FIRE TRUCKS

STAINLESS STEEL & BRASS PLUMBING WARRANTY

BASIC COVERAGE:

BME Fire Trucks LLC. warrants to the original purchaser that the stainless-steel plumbing components and ancillary brass fittings used in the construction of the water/foam plumbing system are structurally sound, free of structural defects in design, material and workmanship and will not fail due to perforation caused by corrosion. BME Fire Trucks LLC. will at its option repair or replace any portion of the plumbing system, covered under this warranty, that proves to be defective in design, material and/or workmanship for a period of ten (10) years from the date the apparatus is first placed in service.

NOT COVERED:

This warranty shall not apply to any new apparatus that has been subjected to misuse, neglect, overloading, remounting, modification, alteration, accident, or lack of normal maintenance practices. The plumbing warranty shall terminate upon transfer of possession or ownership by original purchaser.

DISCLAIMER:

NO WARRANTIES ARE GIVEN BEYOND THOSE DESCRIBED HEREIN. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED. THE COMPANY SPECIFICALLY DISCLAIMS WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL OTHER REPRESENTATIONS TO THE USER/PURCHASER AND ALL OTHER OBLIGATIONS OR LIABILITIES. FURTHER, THE COMPANY EXCLUDES LIABILITY FOR CONSEQUENTIAL AND INCIDENTAL DAMAGES, ON THE PART OF THE COMPANY OR SELLER. No person is authorized to give any other warranties or to assume any liabilities on the Company's behalf unless made or assumed in writing by the seller; and no other person is authorized to give any warranties or to assume any liabilities on the seller's behalf unless made or assumed in writing by the seller.

OBTAINING SERVICE:

Return the vehicle to any BME Fire Trucks LLC. dealer/authorized service center or contact BME Fire Trucks LLC. BME Fire Trucks LLC. shall be solely responsible for determining the extent of repair under the terms of the warranty. Transportation costs shall be the responsibility of the purchaser.



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FIRE TRUCKS

PAINT WARRANTY

BASIC PAINT COVERAGE:

BME Fire Trucks LLC. PPG Paint Company warrants to the original purchaser the paint finish applied to each new piece of Fire and Rescue Apparatus to be free from defects in material and workmanship under normal use and service and will at its option repair or replace the paint of the damaged area. The warranty coverage shall be for a period of seven (7) years from the new vehicle delivery date. This warranty shall not apply to any new apparatus that has been subjected to misuse, neglect, modification, alteration, accident, and lack of normal maintenance practices.

SPECIFIC COVERAGE:

The paint finish applied to the BME Fire Apparatus is guaranteed to the original purchaser for a period of seven (7) years against the following:

- Peeling or delaminating of the topcoat and/or other layers of paint
- Cracking or checking
- Loss of gloss caused by cracking, checking, or chalking
- Any paint failure caused by defective paint materials covered by this guarantee

EXCLUSIONS:

A paint failure resulting from any of the following conditions is excluded from coverage:

- Paint deterioration caused by bubbles, blisters, or other film degradation due to rust or corrosion originating from the substrate
- Corrosion due to design/engineering (i.e., electrolysis dissimilar metals)
- Hazing, chalking or loss of gloss caused by improper care, abrasive polishes, cleaning agents, or heavy-duty pressure washing
- Paint deterioration caused by abuse, accidents, acid rain, chemical fallout, or other acts of nature
- Accidents, scratches, chips, or stone bruises due to normal vehicle use
- Repairs done over previously refinished areas unless stripped to bare metal
- Claims presented without proper guarantee documentation



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OBTAINING SERVICE:

Return the vehicle to any BME Fire Trucks LLC. dealer/authorized service center or contact BME Fire Trucks LLC. When contacted, BME Fire Trucks LLC. will authorize and will direct you to the nearest authorized paint repair facility if necessary.



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5 DEALER SUPPLIED PRODUCTS AND /OR SERVICES

Exhibit "D"

DEALER SUPPLIED PRODUCTS and/or SERVICES

The following products and/or services will be provided by Golden State Fire Apparatus Inc. (GSFA) prior to final delivery:

LICENSED MANUFACTURER

The State of California Vehicle Code, section 11701 requires “every manufacturer of a vehicle subject to registration shall make application to the Department of Motor Vehicles (DMV) for a license containing a general distinguishing number”. The manufacturer has a current license at time of proposal and shall provide a copy upon request. Temporary licenses are not acceptable.

LICENSED DEALERSHIP

The State of California Vehicle Code, section 11701 requires a “dealer in vehicles of a type subject to registration, shall make application to the Department of Motor Vehicles (DMV) for a license containing a general distinguishing number”. Golden State Fire Apparatus, Inc. has a current license at time of bid as outlined above and is available upon request. Temporary licenses are not acceptable.

LICENSED SALES REPRESENTATIVE

The State of California Vehicle Code, section 11800 requires that it shall be “unlawful for any person to function as a vehicle salesperson without having first procured a license issued by the Department of Motor Vehicles (DMV)”. The representative has a current vehicle salespersons license at time of proposal and shall provide a copy upon request. Temporary licenses are not acceptable.

VEHICLE REGISTRATION

The State of California Vehicle Code section 11739 requires that the “dealer of a new motor vehicle sale is responsible for applying for the title, securing vehicle registration, and obtaining license plates for the Customer” through the Department of Motor Vehicles (DMV). Golden State Fire Apparatus, Inc. is a factory-authorized dealer of the vehicle being sold and is authorized to register with the State of California as a new vehicle manufacturer.

GSFA will make all necessary applications and complete all transfer papers, including applying for California Exempt “E” license plates.

GRAPHICS PACKAGE ALLOWANCE

A graphics allowance of \$5,000.00 is included in the bid price. GSFA will utilize the preferred vendor of the Gilroy Fire Department. Any unused portion of this fund will be credited back on the final invoice or returned in the form of a check to the Gilroy Fire Department promptly following final invoicing.

PRE-CONSTRUCTION, FACTORY TRIP

A pre-construction trip to the manufacturing facility will be provided for three (3) Customer representative(s). The intent of this trip is to review and finalize, in detail, the specifications prior to the start of production. The pre-construction trip will have a duration of two (2) days and one (1) night and be scheduled at times mutually agreed upon between GSFA and the Customer. Costs for airfare, lodging, meals, and ground transportation while at the manufacturer’s location will be the responsibility of GSFA. Air travel will be from one of the following airports: Sacramento, San Francisco, or San Jose.

Costs such as Customer ground transportation in California, Customer airport parking, Customer luggage fees and Customer incidentals while traveling to the factory will be the responsibility of the Customer. Flight reservations are non-refundable and in the event of a cancellation after booking, the Customer will be responsible for all costs associated with this cancellation, which may include not only the original ticket cost but also any change or cancellation fees imposed by the airline and/ or travel agency. Flight reservations are also non-transferable.

FINAL INSPECTION, FACTORY TRIP

A final inspection trip to the manufacturing facility will be provided for three (3) Customer representative(s). The intent of this trip is to ensure that the apparatus is built to specification and to detect any deficiencies that require correction. The final inspection trip will have a duration of two (2) days and one (1) night and be scheduled at times mutually agreed upon between GSFA and the Customer. Costs for airfare, lodging, meals, and ground transportation while at the manufacturer's location will be the responsibility of GSFA. Air travel will be from one of the following airports: Sacramento, San Francisco, or San Jose.

Costs such as Customer ground transportation in California, Customer airport parking, Customer luggage fees and Customer incidentals while traveling to the factory will be the responsibility of the Customer. Flight reservations are non-refundable and in the event of a cancellation after booking, the Customer will be responsible for all costs associated with this cancellation, which may include not only the original ticket cost but also any change or cancellation fees imposed by the airline and/ or travel agency. Flight reservations are also non-transferable.

DELIVERY TO AUTHORIZED SERVICE FACILITY

GSFA will, at their expense, deliver the apparatus (including any applicable equipment, spare parts, and supplies) to their Northern California facility in Sacramento for a dealer preparation inspection.

To ensure proper break in of all components while still under warranty, the apparatus shall be delivered under its own power - rail or truck freight shall not be acceptable.

PRE-DELIVERY SERVICE

After transportation from the factory and prior to delivery, the apparatus will receive a pre-delivery service to confirm proper operation and correction of any issues found as a result of said inspection. The Golden State Fire Apparatus, Inc. pre-delivery service consists of the following:

- Engine Compartment and Undercarriage – Check for any broken mounting brackets and inspect for correct capacities of the following (if applicable): engine oil, coolant, power steering fluid, washer reservoir fluid, transmission fluid, rear end fluid, pump transmission oil, and primer oil.
- Interior – Operate all doors, windows, and locks for proper adjustment. Check upholstery.
- Exterior – Repair reasonable paint scratches or chips. Tighten any loose hardware and inspect tires and wheels for proper pressure and lug torquing.
- Road Test – With the water tank (if applicable) full, the apparatus will be driven approximately twenty miles which allows the drive train components to get up to operating temperature. Road test will be on both city and highway roads. A DOT compliant brake test will be conducted to ensure the system is holding air. The brake condition and wheel seals will also be inspected.
- Electrical - Operate all lights, sirens, and other electrical accessories to verify operation.
- Pump - If applicable, vacuum test the pump to hold for 15 minutes. After vacuum test, operate the relief valve, transfer valve and check pump shift. Check water tank for leaks and inspect water level gauge for calibration. With discharge caps loose, rapid test all individual gauges and main gauges for calibration. Lubricate valve rods.

- Foam System – If applicable, tighten caps and connect foam lines. Test selector, valves, metering valve and operation of foam system (including flush).
- Fuel Tank - Fuel tank will be filled at the dealership location prior to final delivery.
- DEF Tank - DEF tank will be filled at the dealership location prior to final delivery.
- Wash - The apparatus will be thoroughly washed at the dealership location prior to final delivery.

FINAL DELIVERY (CUSTOMER LOCATION)

GSFA will, at their expense, deliver the Product (including any applicable equipment, spare parts, and supplies) to the Customer specified address once completed. Prior to delivery of the Product, Customer agrees to provide proof of liability and physical damage insurance to GSFA. GSFA will not release the Product to the Customer until such proof of insurance is provided.

It is the responsibility of the Customer to have any outstanding balance due, paid in full to GSFA, prior to or at the time that the Product is complete and ready to deliver. If payment is late or delivery is delayed pending payment, a daily finance charge of \$150.00 and a daily storage fee of \$50.00 may apply until such payment is received.

Due to insurance liability, the Product will not be delivered without full acceptance and full payment (or prior written agreement between the Customer and GSFA).

END OF EXHIBIT "D"



City of Gilroy

STAFF REPORT

Agenda Item Title: **Award a Contract to Teichert Construction for the FY23 Citywide Pavement Rehabilitation Project No. 23-PW-278 and Approve a Total Project Expenditure of \$6,688,412**

Meeting Date: May 1, 2023
 From: Jimmy Forbis, City Administrator
 Department: Public Works
 Submitted By: Daryl Jordan, Public Works Director
 Prepared By: Julie Oates, Engineer II

STRATEGIC PLAN GOALS

Maintain and Improve City Infrastructure

RECOMMENDATION

- a) Adopt a resolution of the City Council of the City of Gilroy amending the budget for the City of Gilroy for Fiscal Year 2022-2023 and appropriating proposed expenditure amendments; and
- b) Award a Contract to Teichert Construction in the amount of \$6,080,374.35 with an additional project contingency of \$608,037.65 (10%), for a total construction cost of \$6,688,412.00 for the FY23 Citywide Pavement Rehabilitation Project, No. 23-PW-278, and authorize the City Administrator to execute the contract and associated documents.

EXECUTIVE SUMMARY

On November 16, 2020, Council approved the Capital Improvement Program for Fiscal Years 2020-2021 through 2024-2025. Council adopted the Fiscal Year 2022 and Fiscal Year 2023 Biennial Budget on June 7, 2021, and approved the City's 5-Year Street Repair Program on September 13, 2021.

Staff received three bids for constructing the FY23 Citywide Pavement Rehabilitation Project, No. 23-PW-278 (Project). The lowest responsive Base Bid (including 10%

contingency) was \$4,025,450. The Project solicited four Bid Alternates in addition to the base bid. The total Project cost for the Base Bid and the four Bid Alternates (including 10% contingency) is \$6,688,412. Additional fund balances in the various street funds have accrued due to increased Gas Tax and SB-1 contributions. These additional funds are being proposed to be incorporated into the overall project costs. Staff recommends Council adopt a resolution to amend the budget for Fiscal Year 2022-2023 and increase appropriations by \$2,887,660 in Gas Tax Funds (205) and by \$400,752 in SB-1 Road Funds (210) to fully fund the Project.

BACKGROUND

On March 8, 2021, Public Works Engineering staff presented an Introduction to the City's 5-Year Street Repair Program. This included discussions on pavement alternatives, pavement restoration approaches, pavement program funding scenarios, and funding options. Through those discussions, Council approved a blended pavement restoration approach and approved an increase to the City's annual paving budget from \$1.8M per year to \$3.9M per year for the next five years to improve the City's Pavement Condition Index (PCI) from its then-current rating of 62 to a projected rating of 67.

On September 13, 2021, Council approved the City's 5-Year Street Repair Program. Construction of the FY22 Citywide Paving Project began in August 2022 and included pavement milling and asphalt concrete overlay, asphalt rubber cape seal, slurry seal, micro surfacing, installation of ADA-compliant curb ramps, striping improvements, and other incidental work. Due to cold-weather temperatures that occurred unusually early in the season, the FY22 Citywide Paving Project was suspended in October 2022. The FY22 Citywide Paving Project is now resuming and is expected to be completed within the next several weeks.

The street segments included in the FY23 Citywide Pavement Rehabilitation Project are listed in Attachment 1. Public Works Department staff selected the Project's Street segments based on the City's pavement management software program, StreetSaver. The list of streets was previously approved by Council, and feedback was received from the Public Works Operations Street Maintenance Section.

ANALYSIS

In addition to the 116 street segments in the Base Bid, the FY23 Citywide Pavement Rehabilitation Project also included the following five Bid Alternates:

1. Santa Barbara Drive from Third Street to Montebello Drive (Grind & Overlay)
2. Mantelli Drive from Santa Teresa Blvd to Calle Del Rey (Grind & Overlay)
3. Montebello Drive from Santa Barbara Drive to Wren Avenue (Grind & Overlay)
4. Leavesley Road from Arroyo Circle to City Limit (Grind & Overlay)
5. Leavesley Road from Arroyo Circle to City Limit (Full Depth Reclamation)

Bid Alternates 4 and 5 are the same segment of Leavesley Road but utilize different pavement treatments. Bid Alternate 5 provides a lower cost than Bid Alternate 4,

resulting in an equal or better product. As a result, Bid Alternate 4 has been excluded from further consideration.

The FY23 Citywide Pavement Rehabilitation Project was advertised in the San Jose Mercury News and on the City's website on March 10, 2023. Staff conducted the bid opening on April 3, 2023. Staff received three bids for the Project. A summary of the bids is provided below.

Description of Work	Teichert Construction	McKim Corporation	Granite Rock Company
Base Bid - 116 Street Segments at Various Locations (Various Treatments)	\$3,659,500.00	\$3,750,428.10	\$4,040,270.69
Bid Alternate No. 1 - Santa Barbara Dr from Third St to Montebello Dr (Mill & 2-Inch Overlay)	\$231,805.50	\$275,174.50	\$201,739.50
Bid Alternate No. 2 - Mantelli Dr from Santa Teresa Blvd to Calle Del Rey (Mill & 3-Inch Overlay)	\$522,369.70	\$718,308.03	\$603,530.25
Bid Alternate No. 3 - Montebello Dr from Santa Barbara Dr to Wren Ave (Mill & 2-Inch Overlay)	\$292,227.50	\$361,476.88	\$276,627.50
Bid Alternate No. 5 - Leavesley Rd from Arroyo Cir to City Limit (Full Depth Reclamation)	\$1,374,471.65	\$1,621,520.30	\$1,064,361.65
Total	\$6,080,374.35	\$6,726,907.81	\$6,186,529.59

The lowest responsive bid was determined by a complete bid submittal package, including the Base Bids. Staff recommends awarding the contract to the lowest responsive bidder, Teichert Construction, with a total bid of \$6,080,374.35 (including Bid Alternates 1, 2, 3, and 5). The Engineer's estimate was prepared using the City's historical data from previous similar projects and by analyzing trends in the public works construction industry. The lowest responsive Base Bid is approximately one percent higher than the Engineer's Estimate. When including the Bid Alternates, the overall lowest responsible bidder's bid is approximately 7% higher than the Engineer's Estimate.

ALTERNATIVES

The alternative to the staff recommendation is to reject all bids. Staff does not recommend this option.

FISCAL IMPACT/FUNDING SOURCE

The Total Bid, including the Base Bid and Bid Alternates 1, 2, 3, and 5, is \$6,080,374.35. Staff recommends including a contingency of \$608,037.65 (10%) for a total construction allocation of \$6,688,412.00. The 10% contingency accounts for

unforeseen conditions or necessary field changes in the scope of work during construction. In June 2021, Council adopted the FY22 and FY23 Operating and Capital budgets and appropriated \$3,400,000 for the FY23 Annual Paving Program from the General Fund (Fund 100), SB-1 Road Funds (210), and Measure B (212).

Council approved the City's 5-Year Street Repair Program on September 13, 2021. At that time, the staff report identified an additional \$500,000 from either SB-1 or Measure B fund balances, for a total of \$3,900,000 in funding for the FY22 and FY23 Citywide Pavement Maintenance Projects.

Staff recommends the City Council adopt a resolution to amend the FY23 budget to appropriate an additional \$3,288,412 for a total of \$6,688,412 to construct the Project. There are sufficient funds in Gas Tax Funds (205) and SB-1 Road Funds (210) to fully fund the Project.

Funding Source	Adopted FY23 Budget	Proposed FY23 Budget	Proposed Budget Amendment
210 – Road Funds	\$900,000	\$1,300,752	\$400,752
212 – Measure B	\$900,000	\$900,000	\$0
205 – Gas Taxes	\$0	\$2,887,660	\$2,887,660
100 – General Fund	\$1,600,000	\$1,600,000	\$0
Total	\$3,400,000	\$6,688,412	\$3,288,412

PUBLIC OUTREACH

Project stakeholders, including residents, schools, and businesses affected by the Project, will be notified ten working days and 48 hours in advance of the start of construction in each neighborhood. The City will also conduct extensive public outreach through a social media campaign.

NEXT STEPS

Upon the Council's approval of this contract, the contract will be executed, and Staff will work with the contractor to develop a final project schedule. Construction is expected to begin in June 2023 and be completed in October 2023.

Attachments:

1. FY23 Citywide Pavement Rehabilitation Project Street Segments
2. Draft Resolution Budget Amendment
3. Teichert Construction - Agreement

RESOLUTION 2023-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
GILROY AMENDING THE BUDGET FOR THE CITY OF
GILROY FOR 2022-2023 AND APPROPRIATING
PROPOSED EXPENDITURE AMENDMENTS**

WHEREAS, the City Administrator prepared and submitted to the City Council a budget for the City of Gilroy for Fiscal Years 2021-2022 and 2022-2023, and the City Council carefully examined, considered, and adopted the same on June 7, 2021; and

WHEREAS, City Staff has prepared and submitted to the City Council proposed amendments to said budget for Fiscal Year 2022-2023 for the City of Gilroy in the staff report dated May 1, 2023, for the FY23 Citywide Pavement Rehabilitation Project, City Project No. 23-PW-278.

NOW, THEREFORE, BE IT RESOLVED THAT the appropriations for Fiscal Year 2022-2023 for the Gas Taxes Fund 205 shall be increased by \$2,887,660 and the Roads Fund 210 shall be increased by \$400,752.

PASSED AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the 1st day of May 2023 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk

FY23 Citywide Pavement Maintenance Project Street Segments - Base Bid

Segment No	Street Name	From	To
1	ADAMS CT	MURRAY AVE	END
2	ANSON CT	LEARNARD WY	END
3	APACHE CT	END	RODEO DR
4	ARAPAHO DR	DURANGO LN	BENBOW DR
5	ARNOLD DR CULDESAC	HANNA ST	CULDESAC EAST
6	AVEZAN WAY	TATUM AVE	ST CLAR AVE
7	BABBS CREEK DR	THOMAS RD	END
8	BENBOW DR	SAGE HILL DR	ARAPAHO DR
9	BENNETT CT	SEVERANCE ST	END
10	BENNETT ST	CHURCH ST	SEVERANCE ST
11	BERRYBUSH CT	OAK BROOK WY	END
12	BLACKBERRY CT	OAK BROOK WY	END
13	BOSQUE ST	JARDIN WY	TAOS WY
14	BRAZOS ST	JARDIN WY	TAOS WY
15	BRIARBERRY LN	RANCHO HILLS DR	PHEASANT DR
16	CALLE DEL REY	LERMA LN	LONG MEADOW DR
17	CHAPPELL CT	END	CHURCH ST
18	CHURCH ST	LONDON DR	TENTH ST
19	CHURCH ST	LAS ANIMAS AV	FARRELL AVE
20	CIMINO ST	LUCHESSA AVE	CHARLES LUX DR
21	COLUMBINE CT	MANTELLI DR	BULBOUT
22	CONNELL CT	LAS ANIMAS AV	END
23	CUMBERLAND DR	MILLER AVE	ORCHARD DR
24	DURANGO LN	WAGON WY	ARAPAHO DR
25	EL INVIERNO DR	WREN AVE	EL VERANO WY
26	EL TORO DR	HANNA ST	LA COCHE WY
27	EL VERANO WY	LA PRIMAVERA WY	EL INVIERNO DR
28	FELLOM CT	MURRAY AV	END
29	FERAGALLI CT	HIRASAKI DR	CUL DE SAC
30	FESTA AGLIO CT	HIRASAKI DR	CUL DE SAC

FY23 Citywide Pavement Maintenance Project Street Segments - Base Bid

Segment No	Street Name	From	To
31	FESTA AGLIO DR	HIRASAKI AV	PADOVA DR
32	FINCH LN	TWINBERRY WY	LOGANBERRY DR
33	FINE DR	RIDGEWAY DR	LEARNARD WY
34	FOREST ST	OLD GILROY ST	SIXTH ST
35	FREEMAN CT	LAS ANIMAS RD	END
36	GARFIELD CT	MURRAY AV	END
37	GASCONY CT	AVEZON WAY	CUL DE SAC
38	GLENWOOD DR	EL CERRITO WY	WELBURN AVE
39	GOSHAWK CT	END	LOGANBERRY DR
40	GRANT CT	MURRAY AVE	END
41	GREYSTONE CT	KERN AVE	END
42	HACIENDA DR	ORTEGA CIR	END
43	HANNA ST	WELBURN AVE	NORTH END
44	HERITAGE WY	LIONS CREEK DR	SOLEDAD ST
45	HIRASAKI AVE	LONG MEADOW DR	END
46	HOGAN WY	END	SADDLER DR
47	JACARANDA WY	SOUTH END	NORTH END
48	JARDIN WY	BRAZOS ST	BOSQUE ST
49	KENNEDY CT	MURRAY AV	END
50	LA ALONDRA WY	WREN AVE	WELBURN AVE
51	LA PALOMA WY	WREN AVE	WELBURN AVE
52	LA PRIMAVERA WY	WREN AVE	TAOS WAY
53	LARIAT DR	SAGE HILL DR	ARAPAHO DR
54	LAS ANIMAS AV	MONTEREY RD	750' E/O MONTEREY RD
55	LEARNARD WY	MANTELLI DR	BRENTWOOD LN
56	LILLY AVE	LIMAN AVE	RONAN AVE
57	LOGANBERRY DR	PARTRIDGE DR	PHEASANT DR
58	LONE DEER WY	LONGMEADOW DR	END
59	MADISON CT	MURRAY AV	END
60	MARIPOSA ST	ORINDA WY	JACARANDA WY

FY23 Citywide Pavement Maintenance Project Street Segments - Base Bid

Segment No	Street Name	From	To
61	MARTIRI CT	HIRASAKI DR	CUL DE SAC
62	MARTIRI DR	HIRASAKI AV	PADOVA DR
63	MOCKINGBIRD LN	RED HAWK DR	PHEASANT DR
64	MONTICELLI CT	HIRASAKI DR	CUL DE SAC
65	MONTICELLI DR	HIRASAKI AV	PADOVA DR
66	MORO CT	HIRASAKI DR	CUL DE SAC
67	MORO DR	HIRASAKI AV	PADOVA DR
68	MURAOKA DR	NAGAREDA DR	YAMANE DR
69	NAGAREDA DR	FOREST DR	MURAOKA DR
70	NINTH ST	HANNA ST	CHURCH ST
71	OAK BROOK WY	THOMAS RD	GREENFIELD DR
72	OLD GILROY ST	CHESTNUT ST	CROCKER LN
73	OLEA CT	W END CDS	E END CDS
74	ORINDA WY	MARIPOSA ST	LONG MEADOW DR
75	OUSLEY DR	MUIR DR	SOLIS DR
76	PADOVA DR	SIENA CT	MORO DR
77	PAMPAS LN	ORINDA WY	JACARANDA WY
78	PARTRIDGE DR	END	CALLE DEL REY
79	PEACOCK CT	CALLE DEL REY	END
80	PHEASANT DR	THISTLE WY	CALLE DEL REY
81	POLK CT	MURRAY AVE	END
82	RANCHO HILLS DR	MANTELLI DR	CARRIAGE DR
83	RANCHO HILLS DR	VALLEY OAKS DR	NORTHERN TERMINUS
84	RASPBERRY CT	OAK BROOK WY	END
85	RED HAWK DR	MOCKINGBIRD LN	CALLE DEL REY
86	RIDGEWAY DR	RANCHO HILLS DR	FINE DR
87	RONAN AVE	WREN AVE	CHURCH ST
88	SAGE HILL DR	RODEO DR	BENBOW DR
89	SAGEWOOD CT	RED HAWK DR	NORTH END (CUL-DE-SAC)
90	SANTA PAULA DR	SAN MIGUEL DR	HACIENDA DR

FY23 Citywide Pavement Maintenance Project Street Segments - Base Bid

Segment No	Street Name	From	To
91	SENEGAL CT	CUL DE SAC	LOGANBERRY DR
92	SHERWOOD DR CULDESAC	HANNA ST	CULDESAC EAST
93	SIENA CT	HIRASAKI DR	CUL DE SAC
94	SIENA DR	HIRASAKI DR	SORRENTO CT
95	SIXTH ST	CHESTNUT ST	ROGERS LN
96	SNOWBERRY CT	OAK BROOK WY	END
97	SOLEDAD ST	HERTIAGE WY	LERMA LN
98	SORRENTO CT	HIRASAKI DR	CUL DE SAC
99	SORRENTO DR	HIRASAKI DR	PADOVA DR
100	ST CLAR AVE	KERN AVE	AVEZAN WAY
101	STEPHAN CT	PRINCEVALLE ST	END
102	SWALLOW LN	TWINBERRY WY	LOGANBERRY DR
103	TAOS WAY	RONAN AVE	LA PRIMAVERA WAY
104	TATUM AVE	KERN AVE	AVEZAN WAY
105	THIRD ST	SANTA BARBARA DR	240' EAST OF SANTA PAULA DR
106	THISTLE WY	PHEASANT DR	BRIARBERRY LN
107	TRIMBLE CT	CHURCH ST	CUL DE SAC
108	TWINBERRY WY	FINCH LN	SWALLOW LN
109	VALBUSA DR	SOLANA DR	JACARANDA WY
110	WEAVER CT	END	WOODWORTH WY
111	WILLY CT	MURRAY AV	CUL DE SAC
112	WREN AVE	UVAS PARK DR	SIXTH ST
113	WREN AVE	RONAN AVE	TATUM AVE
114	YAMANE DR	MURAOKA DR	FOREST DR
115	DOWDY/CARMEL	SEVENTH ST	EIGHTH ST
116	CARMEL/PRINCEVALLE	SEVENTH ST	EIGHTH ST

FY23 Citywide Pavement Maintenance Project Street Segments - Bid Alts

Segment No2	Street Name	From	To
BID ALT 1	SANTA BARBARA	THIRD ST	MONTEBELLO DR
BID ALT 2	MANTELLI DR	CALLE DEL REY	SANTA TERESA BLVD
BID ALT 3	MONTE BELLO DR	SANTA BARBARA DR	WREN AVE
BID ALT 5	LEAVESLEY RD	200' E/O ARROYO CIR	CITY LIMIT

SECTION 00500 AGREEMENT

FY23 Citywide Pavement Rehabilitation Project
PROJECT NUMBER 23-PW-278

THIS AGREEMENT, made this 13th day of APRIL, 2023 ,
by and between the **City of Gilroy**, hereinafter called the "City," and A. Teichert & Son, Inc. dba
Teichert Construction hereinafter called the "Contractor."

WITNESSETH:

WHEREAS, the City has caused the Contract Documents to be prepared comprised of bidding and contract requirements and technical specifications and drawings for the construction of the FY23 CITYWIDE PAVEMENT REHABILITATION PROJECT, PROJECT NO. 23-PW-278, as described therein, and

WHEREAS, the Contractor has offered to perform the proposed work in accordance with the terms of the Contract Documents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the City and Contractor agree as follows:

Article 1. Work.

Contractor shall complete the Work as specified or indicated in the Contract Documents.

Article 2. Contract Time.

The Work shall be completed by the Contractor in accordance with the Contract Documents within the time period required by Paragraph 00810-2.0, Time Allowed for Completion, subject to extension as expressly provided in the Contract Documents.

Article 3. Liquidated Damages.

The city and the contractor recognize that the city will suffer substantial damages

and significant financial loss as a result of the contractor's delays in performance of the work described in the contract documents. The city and the contractor hereby acknowledge and agree that the damages and financial loss sustained as a result of any such delays in performance will be extremely difficult and impractical to ascertain. Therefore, the city and contractor hereby agree that in the event of such delays in performance, the city shall be entitled to compensation by way of liquidated damages (and not penalty) for the detriment resulting therefrom in accordance with paragraph 00700-6.5, liquidated damages, of the contract documents. The city and the contractor further agree that the amounts designated as liquidated damages are a reasonable estimate of the city's damages and financial loss in the event of any such delays in performance considering all of the circumstances existing as of the date of this agreement, including the relationship of such amounts to the range of harm to the city which reasonably could be anticipated as of the date of this agreement and the expectation that proof of actual damages would be extremely difficult and impractical.

By initialing this paragraph below, the parties hereto signify their approval and consent to the terms of this article 3.

City's Initials

Contractors Initials

Article 4. Contract Price.

In consideration of the Contractors performance of the Work in accordance with the Contract Documents, the City shall pay the Contract Price set forth in the Contract Documents.

Article 5. Contract Documents.

The Contract Documents which comprise the entire agreement between City and Contractor concerning the Work consist of this Agreement (Section 00500 of the Contract Documents) and the following, all of which are hereby incorporated into this Agreement by reference with the same force and effect as if set forth in full.

- Invitation to Bid
- Instructions to Bidders
- Bid Documents
- Designation of Subcontractors
- Bid Guaranty Bond
- Agreement
- Acknowledgements

Performance Bond
 Payment Bond
 General Conditions
 Supplementary Conditions
 General Requirements
 Standard Specifications (Caltrans)
 Technical Specifications
 Drawings
 Addenda, if any
 Executed Change Orders, if any
 Maintenance Bond
 Notice of Award
 Notice to Proceed

Article 6. Miscellaneous.

Capitalized terms used in this Agreement which are defined in Section 01090, References, of the Contract Documents will have the meanings set forth in Section 01090, References.

Contractor shall not assign any rights, obligations, duties or responsibilities under or interest in the Contract Documents without the prior written consent of the City, which consent may be withheld by the City in its sole discretion. No assignment by the Contractor of any rights, obligations, duties or responsibilities under or interests in the Contract Documents will be binding on the City without the prior written consent of the City (which consent may be withheld in City's sole discretion); and specifically but without limitation monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, executed by the City, no assignment will release or discharge the assignor from any liability, duty, obligation, or responsibility under the Contract Documents.

Subject to the foregoing, the Contract Documents shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Nothing contained in the Contract Documents shall in any way constitute a personal obligation of or impose any personal liability on any employees, officers, directors, agents or representatives of the City or its successor and assigns.

In accordance with California Business and Professions Code Section 7030, the Contractor is required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against Contractors if a

complaint regarding a latent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning the Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

IN WITNESS WHEREOF, this agreement has been executed on this
day of _____, _____.

A. Teichert & Son, Inc. dba
Teichert Construction

Name of Contractor

Signature of City



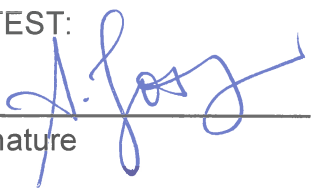
Signature of Contractor

Title of Signator

Jim Gallagher
Regional Manager, Bay Area

Title of Signator

ATTEST:



Signature

Stacy Foss
Office Manager

Title of Signator

ATTEST:

Signature

Title of Signator

END OF SECTION

SECTION 00630

CERTIFICATE OF INSURANCE

Return Completed
Certificate to
City of Gilroy (Agency)

This certifies to the Agency that the following described policies have been issued to the Insured named below and are in force at this time.

Insured

Address

Description of operations/locations/products insured (show contract name and/or number, if any):

POLICIES AND INSURERS	Bodily Injury LIMITS Property Damage	POLICY NUMBER	EXPIRATION DATE
Workers' Compensation Travelers Property Casualty Co of Amer (Name of Insurer) (Best's Rating) A++	Employers Liability \$ 1,000,000	VTWXJUB 4R629695 23	03/31/2024
Check policy type: COMPREHENSIVE GENERAL LIABILITY _____, or COMMERCIAL GENERAL LIABILITY <u> X </u> . (Name of Insurer) Travelers Property Casualty Co of Amer (Best's Rating) A++	"Claims Made" _____ Occurrence X Each _____ Each Occurrence _____ Occurrence \$ <u>2,000,000</u> \$ Aggregate _____ Aggregate \$ <u>4,000,000</u> \$ or Combined Single Limit \$ _____ Aggregate \$ _____	VTJEXGL 4R629671 TIL23	03/31/2024
BUSINESS AUTO POLICY Liability Coverage Symbol	Each Person _____ Each Accident \$ _____ \$ Each Accident \$ _____ or, Combined Single Limit \$ 5,000,000	VTJEAP4 R630043 TIL23	03/31/2024
UMBRELLA LIABILITY Navigators Specialty Insurance Company A+ (Name of Insurer) QBE Specialty Insurance Company A (Best's Rating)	"Claims Made" _____ Occurrence Occurrence/Aggregate \$ 10,000,000 Self-Insured Retention \$ _____	LA23EXCZ 0D5GMIC 140001008	03/31/2024

The following coverage or conditions are in effect:	Yes	No
The Agency, its officials, and employees are named on all liability policies described above as insureds as respects: (a) activities performed for the Agency by or on behalf of the Named Insured, (b) products and completed operations of the Named Insured, and (c) premises owned, leased or used by the Named Insured.	X	
Products and Completed Operations	X	
The undersigned will mail to the Agency 30 days written notice of cancellation or reduction of coverage or limits	X	
Cross Liability Clause (or equivalent wording)		X
Personal Injury, Perils A, B and C		X
Broad Form Property Damage	X	
X, C, U& Hazards included		X
Contractual Liability Coverage applying to this Contract	X	
Liquor Liability	X	
Coverage afforded the Agency, its officials, employees and volunteers as Insureds applies as primary and not excess or contributing to any insurance issued in the name of the Agency	X	
Waiver of subrogation from Workers' Compensation Insurer	X	

This certificate is issued as a matter of information. This certificate is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Edgewood Partners Insurance Center

Agency or Brokerage

Travelers Property Casualty Co of Amer

Insurance Company

Address

Home Office

Kayla Fritzberg

Name of Person to be Contacted

Kayla Fritzberg 04/13/2023
Authorized Signature Date

(925) 822-9044

Telephone No.

Note: Authorized signatures may be the agent's if the agent has placed insurance through an agency agreement with the insurer. If insurance is brokered, authorized signature must be that of official of insurer.

City of Gilroy ("the Agency")
 7351 Rosanna Street
 Gilroy, CA 95020
 Attn: Risk Manager

GENERAL LIABILITY ENDORSEMENT

A. POLICY INFORMATION

Endorsement No.

1. Insurance Company Travelers Property Casualty Co of Amer Policy No. VTJEXGL4R629671TIL23
2. Policy Term (from) 03/31/2023 (to) 03/31/2024
3. Named Insured Teichert, Inc.
4. Address of Named Insured PO Box 15002 Sacramento CA 95851
5. Limit of Liability Any One Incident/Aggregate \$ 2,000,000/4,000,000
6. Deductible or Self-Insured Retention:
 (Nil unless otherwise specified): \$ 750,000
7. Coverage is equivalent:
 Comprehensive General Liability form GL0002 (Ed 1/73) _____
 Comprehensive General Liability "occurrence" form CG0001 CG T1 00 02 19
 Comprehensive General Liability "claims-made" form CG0002 _____
8. Bodily Injury and Property Damage Coverage is: "claims-made" - "occurrence"
 if claims-made, the retroactive date is _____.

NOTE: The Agency's standard insurance requirements specify "occurrence" coverage. "Claims-made" coverage requires special approval.

B. POLICY AMENDMENTS

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any other endorsement attached thereto, it is agreed as follows:

1. **INSURED.** The Agency, its elected and appointed officers, officials, employees and volunteers are included as insureds with regards to damages and defense of claims arising from: (a) activities performed by or on behalf of the Named Insured, (b) products and completed operations of the Named Insured, or (c) premises owned, leased or used by the Named Insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the Named Insured for or on behalf of the Agency; or (b) products sold by the Named Insured to the Agency; or (c) premises leased by the Named Insured from the Agency, the insurance afforded by this policy shall be primary insurance as respects the Agency, its elected or appointed officers, officials, employees or volunteers; or stand in an unbroken chain of coverage excess of the Named Insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the Agency, its elected or appointed officers, officials, employees and volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SCOPE OF COVERAGE.** This coverage, if primary, affords coverage at least as broad as:
 - (1) Insurance Services Office form number GL 002 (Ed. 1/73), Comprehensive General Liability Insurance and Insurance Services Office form number GL 0404 Broad Form comprehensive General Liability endorsement: or

- (2) Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG 0001 or "claims-made" form CG 0002; or
- (3) If excess, affords coverage which is at least as broad as the primary insurance forms referenced in the preceding sections (1) and (2).

3. SEVERABILITY OF INTEREST. The insurance afforded by this policy applies separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respects to the Company's limit of liability.

4. PROVISIONS REGARDING THE INSURED'S DUTIES AFTER ACCIDENT OR LOSS. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its elected or appointed officers, officials, employees or volunteers.

5. CANCELLATION NOTICE. The insurance afforded by this policy shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail return receipt requested has been given to the Agency. Such notice shall be addressed as shown in the heading of this endorsement.

C. INCIDENT AND CLAIM REPORTING PROCEDURE

Incidents and claims are to be reported to the insurer at:

ATTN: Carly Brazil Liability Claims Specialist
 (Title) Teichert, Inc (Department)
 (Company)

(Address) 3500 American River Drive, Sacramento, CA 95864
916-778-9184
 (Telephone)

D. SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

I, Kayla Fritzberg (print/type name), warrant that I have authority to bind the below listed insurance company and by my signature hereon do so bind this company.

Kayla Fritzberg

SIGNATURE OF AUTHORIZED REPRESENTATIVE

(original signature required on endorsement furnished to the Agency)

ORGANIZATION Edgewood Partners Insurance Center TITLE Assistant Account Manager

ADDRESS 10877 White Rock Rd Suite 300 Rancho Cordova, CA 95670 TELEPHONE (925) 822-9044

WORKER'S COMPENSATION/EMPLOYERS LIABILITY ENDORSEMENT

The City of Gilroy ("the Agency")
 7351 Rosanna Street
 Gilroy, CA 95020
 Attn: Risk Manager

A. POLICY INFORMATION

Endorsement #

1. Insurance Company Travelers Property Casualty Co of Amer ("the Company")
 Policy Number VTWXJUB4R62969523
2. Effective Date of This Endorsement 03/21/2023
3. Named Insured Teichert, Inc.
4. Employer's Liability Limit (Coverage B) 1,000,000

B. POLICY AMENDMENTS

In consideration of the policy premium and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any other endorsement attached thereto, it is agreed as follows:

1. **Cancellation Notice.** The insurance afforded by this policy shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail return receipt requested has been given to the Agency. Such notice shall be addressed as shown in the heading of this endorsement.
2. **Waiver of Subrogation.** The Insurance Company agrees to waive all rights of subrogation against the Agency, its elected or appointed officers, officials, agents and employees for losses paid under the terms of this policy which arise from work performed by the Named Insured for the Agency.

C. SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

I, Kayla Fritzberg (print/type name), warrant that I have authority to bind the below listed insurance company and by my signature hereon do so bind this company.

Kayla Fritzberg
 SIGNATURE OF AUTHORIZED REPRESENTATIVE
 (original signature required on endorsement furnished to the Agency)

ORGANIZATION Edgewood Partners Insurance Center TITLE Assistant Account Manager

ADDRESS 10877 White Rock Rd Suite 300 Rancho Cordova, CA 95670 TELEPHONE (925) 822-9044

SECTION 00650

WORKERS' COMPENSATION INSURANCE CERTIFICATE

In accordance with California Labor Code Section 1861, prior to commencement of work on the Contract, the Contractor shall sign and file with the City the following certification:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."



Signature

A. Teichert & Son, Inc. dba

Teichert Construction

Name of Contractor

Jim Gallagher

Regional Manager, Bay Area

Title

April 13, 2023

Date

END OF SECTION

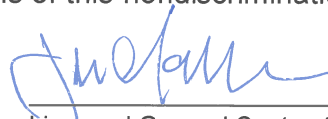
SECTION 00670
NOTICE OF NONDISCRIMINATION IN EMPLOYMENT

The undersigned contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, marital status or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer, recruitment advertising; layoff or termination; rates of pay, or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment notice to be provided by the municipality setting forth the provisions of this nondiscrimination clause.

April 13, 2023

Date

A. Teichert & Son, Inc. dba Teichert Construction
 Company



Licensed General Contractor

Jim Gallagher - Regional Manager, Bay Area

8

License #

POST IN CONSPICUOUS PLACE OF EMPLOYMENT

END OF SECTION



City of Gilroy

STAFF REPORT

Agenda Item Title: **Approval of a Third Amendment to the Agreement for Professional Services with Park Consulting Group in the amount of \$379,760 for the Tyler EnerGov Land Management System Implementation Completion (\$181,810) and Post-Production Issue Resolution, Support, and Enhancement Services (\$197,950)**

Meeting Date: May 1, 2023
From: Jimmy Forbis, City Administrator
Department: Community Development
Submitted By: Sharon Goei, Community Development Director
Prepared By: Sharon Goei, Community Development Director

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Approve and authorize the City Administrator to execute the third amendment to the Agreement for Professional Services with Park Consulting Group for the following tasks:

- a) Extending the Agreement through August 31, 2023, and adding \$181,810 to the current Agreement, increasing the total not-to-exceed amount to \$465,810, to complete implementation of the Tyler EnerGov Land Management System; and
- b) Further extending the Agreement through June 30, 2025, and adding \$197,950 to the Agreement, increasing the total not-to-exceed amount to \$663,760, for twenty-two months of post-production issue resolution, support, and enhancement services in FY 2024 and 2025.

EXECUTIVE SUMMARY

Since 2022, City staff, particularly the subject matter experts on each functional team, have been making significant efforts, working in collaboration with Park Consulting Group (PCG) in the implementation of the Tyler EnerGov Land Management System.

8.3

Approval of a Third Amendment to the Agreement for Professional Services with Park Consulting Group in the amount of \$379,760 for the Tyler EnerGov Land Management System Implementation Completion (\$181,810) and Post-Production Issue Resolution, Support, and Enhancement Services (\$197,950)

Due to prioritization for mandatory workplan items across City teams and departments, staff has worked with PCG to develop a revised timeline. The current Professional Services Agreement amount of \$284,000 with PCG has been able to absorb several months of the extended timeline. Staff recommends an amendment to the Agreement, increasing the total contract amount by \$379,760 to the new total of \$663,760 and extending the Agreement to June 30, 2025, for the following tasks:

1. \$181,810 for finalizing the EnerGov system configuration and providing user training support, production cutover preparation, on-site go-live support, and post-go-live issue resolution and stabilization.
2. \$197,950 for extending the agreement for two additional years of post-production issue resolution, support, and enhancement services in FY 2024 and 2025.

Staff looks forward to launching the Tyler EnerGov Land Management System and continuing system improvements to increase efficiencies for City teams and enhance services for customers and applicants.

BACKGROUND

In December 2021, the City executed a Professional Services Agreement with Park Consulting Group (PCG) in the amount of \$284,000 for the continued implementation of the Tyler EnerGov Land Management System (LMS) project. The project experienced challenges and delays in 2020 and 2021 that a prior consultant was not able to overcome, at which point City staff evaluated and determined that an alternate consulting firm with direct experience implementing EnerGov would be needed to assist the City with EnerGov system implementation.

Park Consulting Group commenced work on the EnerGov LMS project in January 2022. Since then, Park Consulting Group has been working with City staff and has been performing system design and configuration; developing case types and workflow; mapping data and migration activities; managing project timeline and deliverables; providing continuous communication with City staff; and proactively identifying and addressing issues and conflicts within the project team and third-party vendor partners (such as Tyler and Lynx Technologies).

ANALYSIS

Staff is seeking to amend the City's Professional Services Agreement with Park Consulting Group (PCG) to complete the project activities to achieve system go-live and to have PCG provide close to two years of post-production issue resolution, support, and enhancement services for the City's Tyler EnerGov Land Management System.

The EnerGov LMS project was restarted in January 2022 with PCG to replace the existing SunGard system capabilities and processes as well as to deploy EnerGov's extended system capabilities to better serve City staff and customers. These

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Approval of a Third Amendment to the Agreement for Professional Services with Park Consulting Group in the amount of \$379,760 for the Tyler EnerGov Land Management System Implementation Completion (\$181,810) and Post-Production Issue Resolution, Support, and Enhancement Services (\$197,950)

capabilities include centralized processing and tracking of permits and plans, including processes currently outside of SunGard, such as integrated cashiering. The capabilities also include expanded online services such as the community portal, online inspection requests, online invoice payments, and digital plan submittal processing for all plan reviews. The project's go-live date was rescheduled to October 2022.

As the project progressed forward, prioritization for mandatory workplan items had to take place across Community Development, Public Works, and Information Technology teams. City staff has re-planned the project and extended the timeline to complete the core system configuration, development, and user testing and training activities by spring 2023, with a new projected go-live date in June/July 2023 and stabilization through August 2023.

EnerGov System Set-up, Training Support, Go-Live, and Post-Go-Live Stabilization

The current Agreement amount with PCG has been able to absorb several months of the extended timeline. Staff is now seeking an amendment to extend funding to have consultant support with system go-live and post-go-live stabilization, which include finalizing the EnerGov system configuration and providing user training support, production cutover preparation, on-site go-live support, and post-go-live issue resolution and stabilization.

Staff is seeking an amendment to the Agreement to extend funding by \$181,810 for these professional services. Park Consulting Group would provide services as summarized below:

Finalize EnerGov System Set-up and Configuration: PCG would set up and stabilize the EnerGov back-end in preparation for go-live, including Geographic Information System (GIS), Bluebeam (plan/drawing markup tool), and data conversion. PCG would address configuration change impacts due to feedback during user acceptance testing with Tyler Technologies and staff subject matter experts. PCG would coordinate closely with Tyler to implement configuration and system changes.

Provide Training Support: PCG would support staff subject matter experts in training preparation and end-user training. PCG would share examples and best practices to assist in developing standard operating procedures for City staff and instructional guides for applicants. PCG would provide support services in developing a training plan, training environment deployment, training documentation, and coordination of end-user training. PCG would update the configuration from feedback during training with Tyler Technologies.

Prepare EnerGov Cutover and Go-Live: PCG would provide the City support services for go-live preparation. This would include cutover support with Tyler Technologies to make final preparations for the City's EnerGov system go-live.

Approval of a Third Amendment to the Agreement for Professional Services with Park Consulting Group in the amount of \$379,760 for the Tyler EnerGov Land Management System Implementation Completion (\$181,810) and Post-Production Issue Resolution, Support, and Enhancement Services (\$197,950)

Provide EnerGov Go-Live Support Services: During the go-live week, PCG would provide support on-site, working directly with staff to resolve issues. Services would include PCG providing operations and functional user support to resolve configuration and functional issues. Services would also include PCG supporting the design, configuration, deployment, and resolution of priority enhancements during the go-live week.

Perform EnerGov Fee Configuration: PCG would configure fee updates based on the fee schedules effective July 2023.

Provide Post-Go-Live EnerGov Issue Resolution and Stabilization Services: PCG would perform system troubleshooting, including reporting and system changes. PCG would work closely with City staff to resolve issues arising in the immediate months after go-live. PCG would also coordinate with City staff to implement priority system enhancements.

EnerGov Post-Production Issue Resolution, Support, and Enhancement Services

After EnerGov go-live and stabilization through August 2023, staff recommends that the City continue the Professional Services Agreement for PCG to provide close to two years of post-production issue resolution, support, and enhancement services for the City's Tyler EnerGov Land Management System. These services total \$197,950 for ten months in FY 2024 and 12 months in FY 2025 and would include issue resolution, support, and enhancement services; report development services; and fee configuration services. These services will maintain the continuity of knowledge and technical expertise, and extending the Agreement to FY 2025 at this time provides predictability and stability of costs.

The EnerGov post-production issue resolution, support, and enhancement services would include the following at \$164,200 for 22 months (\$7,300 per month for 4 months and \$7,500 per month for 18 months): PCG would provide feedback on leading best practices to maximize system capabilities. PCG would provide services in supporting and improving EnerGov configuration, including case types, workflows, custom fields, citizen portal configuration, and fees. PCG would provide configuration details for issues resolved and enhancements deployed. PCG would review City-developed reports and configuration as requested.

PCG would also provide report development services at an estimated \$15,750 to design, develop, and deploy non-standard forms and statistical reports generated from EnerGov. PCG would review the specifications document and provide feedback. PCG would develop stored procedures and queries required for reports and forms. PCG would prepare documents and coordinate with City staff to share with Tyler Technologies. PCG would enhance and update forms and reports as requested. PCG would meet with City staff and Tyler related to the design, development, and deployment of forms and reports.

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For EnerGov fee configuration in FY 2025, at an estimated \$18,000, PCG would configure fee updates based on the fee schedules effective July 2024.

ALTERNATIVES

Council may choose not to approve the third amendment to the Agreement. Staff does not recommend this option as this would halt the implementation of the EnerGov Land Management System.

FISCAL IMPACT/FUNDING SOURCE

In February 2020, the City Council invested significant resources to modernize the City's information technology, notably a new enterprise resource planning (ERP) and land management system (LMS), with a total cost of \$3,725,860, including multi-year licensing and implementation. While both projects experienced delays in implementation for a multitude of reasons, staff has been able to remain within the budget for both projects by utilizing savings from licensing fees for modules determined to no longer fit the need of the organization and travel and implementation-related savings as the systems have primarily been implemented remotely during the pandemic.

The Tyler EnerGov Land Management System project is budgeted and funded from the City's Information Technology Fund (620). There are adequate budgetary appropriations and fund balance to accommodate the additional expenditure for the current fiscal year. There are projected year-end savings in personnel expenditures due to vacancies and materials and services expenditures for FY 2023 to accommodate the additional \$181,810 needed in the current fiscal year to complete the implementation.

Pending Council approval, the FY 2024 and FY 2025 costs of \$197,950 will be included in the recommended budget accordingly.

NEXT STEPS

If approved, the third amendment to the Agreement will be executed, and staff will work with Park Consulting Group to complete the activities to launch the EnerGov system and continue system improvements.

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Attachments:

1. Attachment 1 - Draft 3rd Amendment to the Agreement for Professional Services with Park Consulting Group
2. Attachment 2 - 2nd Amendment to the Agreement for Professional Services with Park Consulting Group
3. Attachment 3 – 1st Amendment to the Agreement for Professional Services with Park Consulting Group
4. Attachment 4 - Agreement for Professional Services with Park Consulting Group

THIRD AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF GILROY AND PARK CONSULTING GROUP, INC. FOR THE
CITY'S TYLER ENERGОВ LAND MANAGEMENT SYSTEMS (LMS) PROJECT

WHEREAS, the City of Gilroy, a municipal corporation ("City"), and Park Consulting Group, Inc. entered into that certain agreement entitled Professional Services for the City's Tyler EnerGov Land Management Systems (LMS) Project, effective on 2/7/2022, hereinafter referred to as "Original Agreement"; and

WHEREAS, City and Park Consulting Group, Inc. have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. The first paragraph of Article 1 (Term of Agreement) of the Original Agreement shall be amended to read as follows:

"This Agreement will become effective retroactively on 12/1/2021 and will continue in effect through 6/30/2025 unless terminated in accordance with the provisions of **Article 7** of this Agreement."

2. Article 4 Section A (Consideration) of the Original Agreement shall be amended to read as follows:

"In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONSULTANT exceed \$663,760."

3. Exhibit "B" (Scope of Services) of the Original Agreement is hereby replaced with the attached Exhibit "B".

4. Exhibit "C" (Milestone Schedule) of the Original Agreement is hereby replaced with the attached Exhibit "C".

5. This Amendment shall be effective on 5/2/2023.

6. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

7. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CITY OF GILROY

By: _____
 [signature]
Jimmy Forbis

 [employee name]
City Administrator

 [title/department]

Date: _____

Approved as to Form

City Attorney

Park Consulting Group, Inc.

By: _____
 [signature]
Glenn Park

 [name]
President

 [title]

Date: _____

ATTEST:

City Clerk

EXHIBIT “B”

SCOPE OF SERVICES

Park Consulting Group (PCG) will provide the City of Gilroy professional services for the City’s Tyler EnerGov Land Management Systems (LMS) Project:

- **Services:**

PCG will provide the following resources and services to support the City to get the EnerGov project back on-track to Go-Live:

Resources:

Resource	Allocation	Assigned Resource
Project Manager	4 Hours Per Week	Glenn Park
Functional Consultants	30 Hours Per Week	Bryan Tung/ David Bloomgren
Report Developer	20 Custom Reports/ Forms	Jared Tan

Project Manager Responsibilities:

- Manage project scope, goals and deliverables that support business goals in collaboration with the IT Department, senior management, and stakeholders.
- Effectively communicate project expectations to team members and stakeholders in a timely, clear fashion and ongoing basis.
- Monitor project expectations with team members and other stakeholders.
- Review project timeline, milestones and deliverables with City leadership and Tyler Tech PM
- Attend project meetings with staff and project stakeholders. This may include internal project briefings and project briefings with Tyler, in addition to others as requested.
- Review and provide input on all contracts with external vendors for integrations development and change orders.
- Coordinate escalation for questions and issues from the Project Team
- Address and/or escalate issues / risks as they come up.
- Delegate tasks and responsibilities to appropriate team members responsible to own deliverables for the project.
- Proactively identify issues and conflicts within the project team, third party vendor partners, and the business as needed; consult with city management to formulate a plan to resolve.
- Proactively communicate changes in project scope, identify potential crises, and devise contingency plans; communicate possible changes in scope to IT management and departments and divisions that are affected.
- Ensure that project risks are identified, documented, communicated, and addressed in a timely manner.
- Provide feedback on leading best practices to maximize system capabilities.
- Provide feedback on leading best practices for project implementation and

deployment processes.

Functional Consultant Responsibilities :

Design and Configuration:

- Support review of fee schedule and compare to LMS configuration to verify accurate fee setup.
- Support coordination of the configuration review and validation of templates.
- Support City configuration resources in making any needed changes to configuration.
- Support and review EnerGov configuration to verify accurate setup to configuration documentation and requirements.
- Support and review City-owned shared configuration including case type development, CSS, automations, georules, etc.
- Support and review data mapping and migration activities from legacy system to EnerGov.

User Acceptance Testing:

- Support the development of a user testing strategy and plan.
- Support test case/ script creation with responsible team members/ SMEs.
- Support user acceptance participant training and walkthroughs.
- Support setup for test case scenarios.
- Support user acceptance testing / retesting effort with City-designated testing leads and testers.
- Support prioritization and tracking of user acceptance testing / retesting results in testing tracking system.

End User Training:

- Support development of training plan and train-the-trainer approach.
- Support review of training environment setup and deployment.
- Support coordination and facilitation of end user training with staff trainers.
- Support training documentation and job aid development as required by staff.

Cutover and Go-Live Activities:

- Support Production cutover, Go-Live, post-Go-Live stabilization, and system troubleshooting (reporting, system enhancements, regulatory changes, etc.).
- Support the design, deployment, and onboarding of post-Go-Live / warranty enhancements.

Report Developer Responsibilities:

- Provide report development services to design, develop, and deploy City-assigned non-standard forms and statistical reports generated from EnerGov. City will provide a list of prioritized and ranked reports to be delivered
- Forms and reports will be developed utilizing Crystal Reports
- Park Consulting Group will own and perform the following services related to forms and reports design and development:

- Review specifications document and provide feedback as required to ensure requirements are fully understood for development
- Design and develop .RPT templates required for forms and reports (the City may have the opportunity to design and develop .RPT templates to conserve hours for PCG report development. This will be determined on a case-by-case basis by PCG)
- Develop stored procedures and queries required for forms and reports
- Prepare .RPT and stored procedures development package to be sent to Tyler Tech
- Send .RPT and stored procedures as required by Tyler Tech and cc: City (PCG can also manage this process through a City facilitated process)
- Maintain, enhance, update, and support forms and reports as requested
- Attend meetings with City and Tyler Tech related to design, development, and deployment of forms and reports

Other Project Responsibilities:

- Provide services for project team as needed throughout the LMS implementation project, as requested.

• Key Assumptions:

- PCG shall be responsible for advisory, implementation support services, and project management as requested by the City.
- Due to the City's desire to expedite the EnerGov project to Go-Live, the scope of the project will be focused on migrating existing LMS processes from Sungard and build upon the current LMS processes with extended EnerGov capabilities. Other processes, capabilities, and user groups not associated to the existing LMS processes from SunGard will be descoped in order to meet project timelines.
- City will provide a primary project contact that is available throughout the duration of services.
- City will provide process leads and subject matter experts to serve as project team members that are available throughout the duration of services to successfully deliver PCG services. Required minimum of 50% FTE per Lead/ SME.
- City estimates PCG should have the full ability to deliver the project remotely with no on-site visits and/ or incurred travel costs.
- Park Consulting Group provides a broad range of LMS implementation, advisory, and development services. City may request additional services outside of the scope of services and duration and will be considered based on the established hourly rates.
- City will work with Tyler Tech to provide the following for PCG:
 - Adequate software licensing for PCG to perform services
 - Tyler Tech Sharepoint access
 - Login and access to EnerGov environments
 - Regular database backups of the EnerGov environment with the most up-to-date configuration and all related populated test data

- Database backups to be transferrable to PCG technical environments to develop forms and reports

- **Cost:**

Resource	Build & Validate (5 Months)	Testing, Training, & Go-Live (5 Months)	TOTAL
Project Manager	\$19,500 (20 Hrs/ Mo)	\$19,500 (20 Hrs/ Mo)	\$39,000
Functional Consultant	\$105,000 (120 Hrs/ Mo)	\$105,000 (120 Hrs/ Mo)	\$210,000
Report Developer	\$35,000 (20 Reports)		\$35,000
TOTAL	\$159,000	\$124,500	\$284,000

- **Total Not-to Exceed:** \$284,000
- PCG's services will be billed based on the following hourly rate(s):

Park Consulting Resources	2021-23 Rates
Principal LMS Consultant/ Project Manager	\$195/ hour
LMS Functional Consultant	\$175/ hour
Report Developer	\$175/ hour
GIS Consultant	\$175/ hour

SCOPE OF SERVICES AND COST FOR AMENDMENT 3

Park Consulting Group (PCG) will provide the City of Gilroy professional services for the City's Tyler EnerGov Land Management Systems (LMS) Project.

Services:

All scope of services below also includes tasks, activities, and resources detailed in Amendment 2 of the agreement between PCG and the City of Gilroy. The following services are additional to the services provided in Amendment 2. The scope of services described above is from Amendment 2 and is the same as in Amendment 1 and the original agreement.

The City of Gilroy is seeking to amend the City's agreement with Park Consulting Group for consulting services for the City's Tyler EnerGov Land Management Systems (LMS) Project. After a project pause was placed on the project in mid-2021, the project was restarted in January 2022 to replace existing Sungard capabilities and processes as well as deploy EnerGov's extended system capabilities to better serve Gilroy staff and constituents. These capabilities include centralized processing and tracking of Permits and Plans, including processes currently outside of Sungard including Code Enforcement and integrated Cashiering, and expanded online services including the Citizen Portal, public records search capabilities, online inspection requests, online invoice payments, and digital plan submittals (paper-less) processing for all plan check users. The project was replanned to Go-Live in October 2022.

As the project progressed forward, staffing constraints were encountered across the Community Development, Public Works, and IT teams throughout 2022. With the impacts from the project staffing challenges, the City has replanned the project and extended the project timeline to complete the core system Configuration, Development, and User Testing activities by spring 2023, with a new projected Go-Live date of June 2023 and stabilization through August 2023. The current contract budget with Park Consulting Group has been able to absorb 4 of 11 months of the extended timeline, and the project team is seeking an amendment to extend funding to the Go-live, which includes finalizing the EnerGov system setup, training support, cutover preparation and support, and onsite and post-production Go-Live support and stabilization.

Remaining Project Activities

- **EnerGov System Setup**

Park Consulting Groups services will be focused on continuing momentum of complete remaining project activities with staff and Tyler Tech. This will include setting up and stabilizing the EnerGov back-end in preparation for Go-Live including GIS, Bluebeam, and Data Conversion. Additionally, tasks and activities will be planned to address EnerGov configuration change impacts due to feedback during final UAT reviews with Tyler Tech and the Gilroy SMEs. The City provided PCG with the finalized list of requested configuration and system changes for Go-Live. PCG will implement the changes that can be deployed without impacting the project budget and timeline for a June 2023 Go-Live. All other configuration and system changes and requests will be deferred to Tyler Tech or to be considered after Go-Live.

- **Training Support**

Park Consulting Groups will provide 8-12 hours per week of support with staff / SMEs that are owning training preparation. With any remaining support hours, Gilroy may request PCG for configuration changes / updates from feedback during the training sessions with Tyler Tech. Tyler Tech and Gilroy SMEs will own delivering end-user training.

- **EnerGov Go-Live Preparation and Cutover**

Park Consulting Group will provide the City support for Go-Live preparation. This will include Cutover support services with Tyler Tech to make final preparations for the City's EnerGov system Go-Live. Post-UAT/ Pre-Go-Live configuration enhancements and issue resolution will be established with Tyler Tech to stabilize the City's production system.

- **EnerGov Onsite Support Services**

The City is seeking EnerGov Post Go-Live support services from Park Consulting Group during the first week of Go-Live. Services will include configuration and functional updates and issue resolution. Support will be provided onsite by 2 resources and will be available during City of Gilroy's business hours. The City is seeking Park Consulting Group to provide the following Post Go-Live support services:

- Provide operations and functional user support during Go-Live week for configuration and functional issues.

- Support the design, configuration, deployment, and resolution of requested priority post-Go-Live enhancements.
- **Post Go-Live EnerGov Issue Resolution and Stabilization Services:**
 - **Duration of Services:** Up to 80 hours per month (2.5 months)
 - PCG will provide EnerGov post-Go-Live support and enhancement services as requested by the City. This will include supporting, implementing, and reviewing EnerGov configuration including case types, workflows, custom fields, CSS configuration, and fees.
 - PCG will receive and respond to requests from the City's primary point of contact (POC) from the City (or designated back-up).
- **EnerGov Fee Configuration:**
 - PCG will be responsible for the configuration of requested fee updates provided by the City's Community Development and Public Works departments related to the fiscal year 2023/24 fee schedule updates. The approved and adopted fee schedule will be provided as the reference source for the configuration. The estimated effort is based on the fee schedule only requiring CPI increase fee updates and no other calculation, input, and/or variable additions or changes will be needed for the 2023/24 fees.

Cost Proposal:

The City is seeking an amendment to extend funding. The additional request for services is in alignment with PCG's previous monthly invoicing amounts.

Requested Services	Total
System Setup (2 months @ \$25,500/ mo)	\$51,000
Training Support (2.5 months @ \$10,240/ mo)	\$25,600
EnerGov Go-Live Preparation and Cutover (1 week)	\$7,600
Go-Live Onsite Support (1 week onsite, 2 resources, includes travel)	\$20,000
EnerGov Fee Configuration: 1 month (Est. @ 90 hrs – billed @ \$195/hr)	\$17,550
Post Go-Live Issue Resolution and Stabilization: 2.5 months (~\$14,625/mo)	\$36,560
~15% Contingency*	\$23,500
TOTAL	\$181,810

*Contingency will only be utilized for critical (showstopper) issue resolution and time extension beyond the planned Go-Live

Post-Production Issue Resolution, Support, and Enhancement Services:

The City of Gilroy has requested Park Consulting Group to provide 2 years of EnerGov post-production issue resolution and enhancement services for the City's Tyler EnerGov Land Management Systems (LMS) Project.

EnerGov Issue Resolution and Enhancement Services:

- PCG will attend meetings, etc. as available. This will include working sessions.
- Provide feedback on leading best practices to maximize EnerGov system capabilities.
- PCG will provide EnerGov post-Go-Live support and enhancement services as requested by the City. This will include supporting, implementing, and reviewing EnerGov

configuration including case types, workflows, custom fields, CSS configuration, and fees.

- PCG will provide configuration walkthroughs or details for resolved issues and deployed enhancements. City may choose to record walkthroughs as needed.
- PCG will review City-deployed configuration and developed reports as requested.
- PCG will receive and respond to requests from the City's primary point of contact (POC).
- PCG should have the full ability to deliver services remotely with no on-site visits and/ or incurred travel costs. If onsite visits are requested, travel expenses and time will be reimbursed.
- **Duration of Services: 22 months** - Up to 40 hours per month

EnerGov Report Development:

- Provide report development services to design, develop, and deploy non-standard forms and statistical reports generated from EnerGov.
- Reports and Forms will be developed with the use of Crystal Reports.
- Stored procedures and queries required for reports and forms will be developed.
- Prepare template and stored procedures development package to be sent by City to Tyler Tech
- Coordinate with City POC to send RPT file and stored procedures/ queries to Tyler Tech Support
- Coordinate access with City POC of required database back-up.
- Notify City POC of deployed reports within all applicable modules and case types. Respond to feedback and requested updates.

EnerGov Fee Configuration:

- PCG will be responsible for the configuration of requested fee updates provided by the City's Community Development and Public Works departments related to the fiscal year 2024/25 fee schedule updates. The approved and adopted fee schedule will be provided as the reference source for the configuration. The estimated effort is based on the fee schedule only requiring CPI increase fee updates and no other calculation, input, and/or variable additions or changes will be needed for the 2024/25 fees.

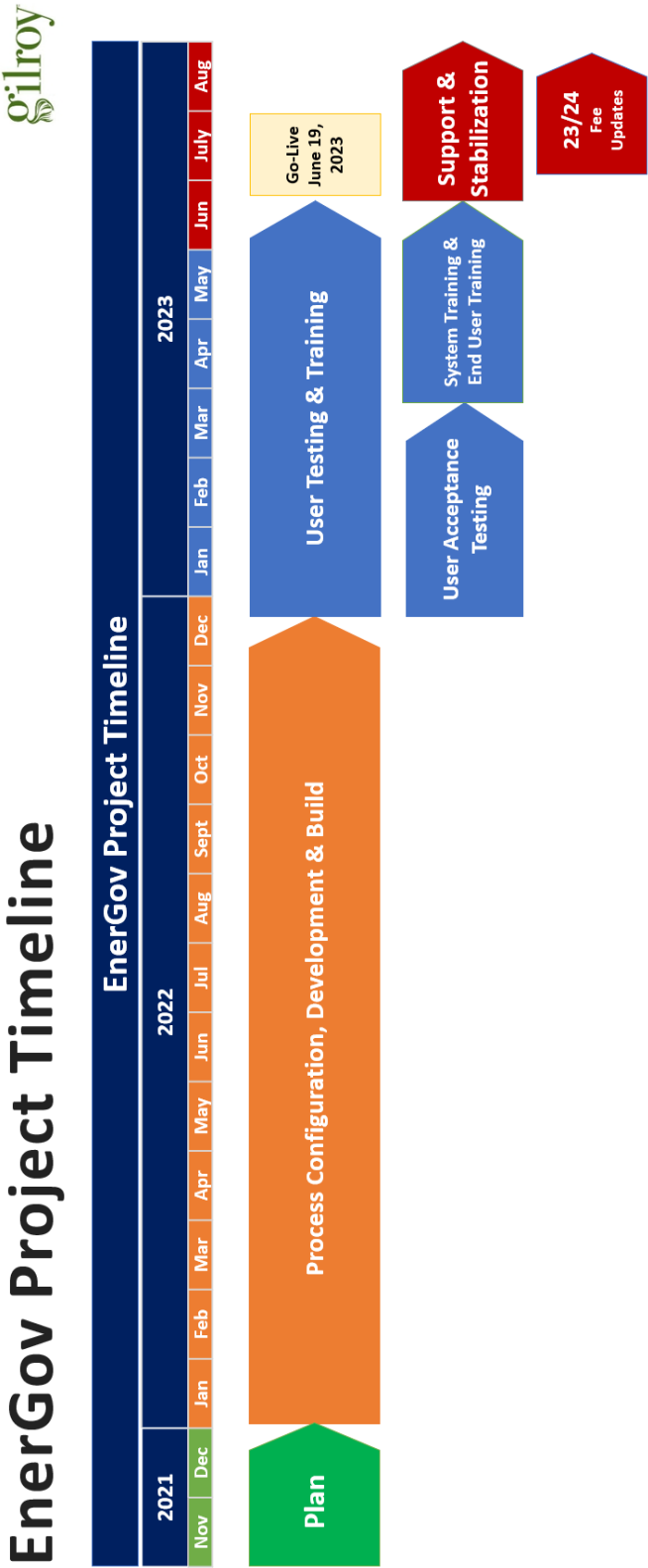
Cost Proposal:

The total not to exceed amount will be the following:

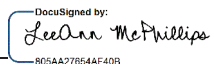
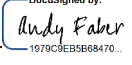
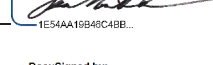
Requested Optional Services	Total
EnerGov Issue Resolution and Enhancement Services:	
2023 4 months: Up to 40 hrs/ month (fixed \$7,300/mo)	\$29,200
6 months: Up to 40 hrs/ month (fixed \$7,500/mo)	\$45,000
12 months: Up to 40 hrs/ month (fixed \$7,500/mo)	\$90,000
EnerGov Fee Configuration: 1 month (Est. @ 90 hrs – billed @ \$200/hr)	\$18,000
EnerGov Report Development: (Est. @ 90 hrs – billed @ \$175/hr for work requested in 2023 and \$185/hr for work requested in 2024-2025)	\$15,750
TOTAL*	\$197,950

EXHIBIT “C”

MILESTONE SCHEDULE



City of Gilroy
Agreement/Contract Tracking

Today's Date:	October 27, 2022	Your Name:	Monica Sendejas
Contract Type:	Services over \$5k - Consultant	Phone Number:	408-846-0266
Contract Effective Date: (Date contract goes into effect)	12/1/2021		
Contract Expiration Date:	12/31/2023		
Contractor / Consultant Name: (if an individual's name, format as last name, first name)	Park Consulting Group, Inc.		
Contract Subject: (no more than 100 characters)	Professional services for the City's Tyler EnerGov Land Management Systems (LMS) Project		
Contract Amount: (Total Amount of contract. If no amount, leave blank)	\$284,000.00		
By submitting this form, I confirm this information is complete:	➤ Date of Contract ➤ Contractor/Consultant name and complete address ➤ Terms of the agreement (start date, completion date or "until project completion", cap of compensation to be paid) ➤ Scope of Services, Terms of Payment, Milestone Schedule and exhibit(s) attached ➤ Taxpayer ID or Social Security # and Contractors License # if applicable ➤ Contractor/Consultant signer's name and title ➤ City Administrator or Department Head Name, City Clerk (Attest), City Attorney (Approved as to Form)		
Routing Steps for Electronic Signature			
Risk Manager	 DocuSigned by: 805AA27B54AF40B...		
City Attorney Approval As to Form	 DocuSigned by: 1979C9EB5B68470...		
City Administrator or Department Head	 DocuSigned by: CC845BEF9B054DC...		
City Clerk Attestation	 DocuSigned by: 1E54AA19B48C4BB...		

Sharon Goei, Community Development Director


DocuSigned by:
493077E1C0A54C8...

**SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF GILROY AND PARK CONSULTING GROUP, INC. FOR THE
CITY'S TYLER ENERGVOV LAND MANAGEMENT SYSTEMS (LMS) PROJECT**

WHEREAS, the City of Gilroy, a municipal corporation ("City"), and Park Consulting Group, Inc. entered into that certain agreement entitled Professional Services for the City's Tyler EnerGov Land Management Systems (LMS) Project, effective on 2/7/2022, hereinafter referred to as "Original Agreement"; and

WHEREAS, City and Park Consulting Group, Inc. have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. The first paragraph of Article 1 (Term of Agreement) of the Original Agreement shall be amended to read as follows:

"This Agreement will become effective retroactively on 12/1/2021 and will continue in effect through 12/31/2023 unless terminated in accordance with the provisions of **Article 7** of this Agreement."

2. This Amendment shall be effective on 1/1/2022.

3. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

4. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CITY OF GILROY

By: _____

DocuSigned by:

Jimmy Forbis

CC6456EF9B054DC...

Jimmy Forbis

[employee name]

City Administrator

[title/department]

10/31/2022

Date: _____

Approved as to Form

DocuSigned by:

Randy Faber

1979C9EB5B68470...

City Attorney

Park Consulting Group, Inc.

By: _____

DocuSigned by:

Glenn Park

C6FC7B3E211341A...

Glenn Park

[name]

President

[title]

10/27/2022

Date: _____

ATTEST:

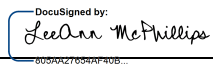
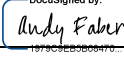
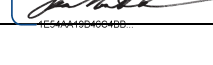
DocuSigned by:

[Signature]

1E54AA19B46C4BB...

City Clerk

City of Gilroy
Agreement/Contract Tracking

Today's Date:	March 17, 2022	Your Name:	Monica Sendejas
Contract Type:	Services over \$5k - Consultant	Phone Number:	408-846-0266
Contract Effective Date: <i>(Date contract goes into effect)</i>	12/1/2021		
Contract Expiration Date:	12/31/2022		
Contractor / Consultant Name: <i>(if an individual's name, format as last name, first name)</i>	Park Consulting Group, Inc.		
Contract Subject: <i>(no more than 100 characters)</i>	1 st AmendmenProfessional services for the City's Tyler EnerGov Land Management Systems (LMS) Project		
Contract Amount: <i>(Total Amount of contract. If no amount, leave blank)</i>			
By submitting this form, I confirm this information is complete:	➤ Date of Contract ➤ Contractor/Consultant name and complete address ➤ Terms of the agreement (start date, completion date or "until project completion", cap of compensation to be paid) ➤ Scope of Services, Terms of Payment, Milestone Schedule and exhibit(s) attached ➤ Taxpayer ID or Social Security # and Contractors License # if applicable ➤ Contractor/Consultant signer's name and title ➤ City Administrator or Department Head Name, City Clerk (Attest), City Attorney (Approved as to Form)		
Routing Steps for Electronic Signature			
Risk Manager	 DocuSigned by: LeeAnn McPhillips		
City Attorney Approval As to Form	 DocuSigned by: Andy Faber		
City Administrator or Department Head	 DocuSigned by: Jimmy Fortis		
City Clerk Attestation	 DocuSigned by: [Signature]		

**FIRST AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE CITY OF GILROY AND PARK CONSULTING GROUP, INC. FOR THE
CITY'S TYLER ENERGIV LAND MANAGEMENT SYSTEMS (LMS) PROJECT**

WHEREAS, the City of Gilroy, a municipal corporation ("City"), and Park Consulting Group, Inc. entered into that certain agreement entitled Professional Services for the City's Tyler EnerGov Land Management Systems (LMS) Project, effective on 2/7/2022, hereinafter referred to as "Original Agreement"; and

WHEREAS, City and Park Consulting Group, Inc. have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

- Article 1 (Term of Agreement) of the Original Agreement shall be amended to read as follows:

"This Agreement will become effective retroactively on 12/1/2021 and will continue in effect through 12/31/2022 unless terminated in accordance with the provisions of **Article 7** of this Agreement."
- Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.
- This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CITY OF GILROY

By: _____

DocuSigned by:

Jimmy Forbis

[signature]

Jimmy Forbis

[employee name]

City Administrator

[title/department]

Date: 3/22/2022

Park Consulting Group, Inc.

By: _____

DocuSigned by:

Glenn Park

[signature]

Glenn Park

[name]

President

[title]

Date: 3/17/2022

Approved as to Form

DocuSigned by:

Andy Faber

[signature]

City Attorney

ATTEST:

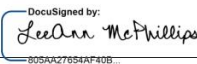
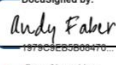
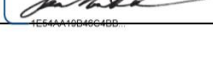
DocuSigned by:

[Signature]

[signature]

City Clerk

City of Gilroy
Agreement/Contract Tracking

Today's Date:	February 9, 2022	Your Name:	Monica Sendejas
Contract Type:	Services over \$5k - Consultant	Phone Number:	408-846-0266
Contract Effective Date: <i>(Date contract goes into effect)</i>	2/7/2022		
Contract Expiration Date:	12/31/2022		
Contractor / Consultant Name: <i>(if an individual's name, format as last name, first name)</i>	Park Consulting Group, Inc.		
Contract Subject: <i>(no more than 100 characters)</i>	Professional services for the City's Tyler EnerGov Land Management Systems (LMS) Project		
Contract Amount: <i>(Total Amount of contract. If no amount, leave blank)</i>	284000		
By submitting this form, I confirm this information is complete:	➤ Date of Contract ➤ Contractor/Consultant name and complete address ➤ Terms of the agreement (start date, completion date or "until project completion", cap of compensation to be paid) ➤ Scope of Services, Terms of Payment, Milestone Schedule and exhibit(s) attached ➤ Taxpayer ID or Social Security # and Contractors License # if applicable ➤ Contractor/Consultant signer's name and title ➤ City Administrator or Department Head Name, City Clerk (Attest), City Attorney (Approved as to Form)		
Routing Steps for Electronic Signature			
Risk Manager	 DocuSigned by: LeeAnn McPhillips 805AA27054AF40B...		
City Attorney Approval As to Form	 DocuSigned by: Andy Faber 1379C5E2B00470...		
City Administrator or Department Head	 DocuSigned by: Jimmy Forbis FC6450EE3B054DC...		
City Clerk Attestation	 DocuSigned by: [Signature] 1E54AAA10B46C4DB...		

TYPE OF PROCUREMENT	DOLLAR THRESHOLD / SIGNING AUTHORITY			
	STAFF LEVEL	DEPARTMENT HEAD	CITY ADMINISTRATOR	COUNCIL APPROVAL
	\$0-\$999.99	\$1,000-\$49,999.99	\$50,000-\$99,999.99	\$100,000-Above
EQUIPMENT /SUPPLIES/ MATERIALS Furniture, hoses, parts, pipe manholes, office supplies, fuel, tools, PPE items, etc...	Vendor selection at discretion of staff <u>Payment Method</u> Purchase Card or Payment Request (if vendor does not accept credit cards)	- Informal bid/quotation – 3 quotes (verbal or written) - Purchasing Summary form w/ Purchasing Approval - Purchase Requisition <u>Payment Method</u> Purchase Order*	- Informal bid/quotation – 3 written quotes - Purchasing Summary form w/ City Administrator Approval - Purchase Requisition <u>Payment Method</u> Purchase Order	- Formal Bid - Advertisement - Council Approval - Purchase Requisition signed by City Administrator <u>Payment Method</u> Purchase Order
GENERAL SERVICES Janitorial, landscape maintenance, equipment repair, installation, graffiti abatement, service inspections, uniform cleaning, etc...	- Vendor selection at discretion of staff - May require insurance documents depending on scope/ nature of work <u>Payment Method</u> Purchase Card (if incorporated) Signed Payment Request (if so proprietor or partner)	- Informal bid/quotation – 3 quotes (verbal or written) - Purchasing Summary form w/ Department Head Approval - Standard Agreement - Purchase Requisition <u>Payment Method</u> Purchase Order*	- Informal Bid/RFP quotation – 3 written quotes - Purchasing Summary form w/ City Administrator Approval - Standard Agreement - Purchase Requisition <u>Payment Method</u> Purchase Order	- Formal Bid/RFP/RFQ - Advertisement - Council Approval - Standard Agreement - Purchase Requisition <u>Payment Method</u> Purchase Order
PROFESSIONAL SERVICES Consultants, architects, designers, auditors, etc...	- Vendor selection at the discretion of staff - Purchase Summary Form w/ Purchasing Approval - Standard Agreement signed by Department Head - Purchase Requisition <u>Payment Method</u> Purchase Order	- RFP/RFQ to at least 3 consultants - Purchase Summary Form w/ Department Head Approval - Standard Agreement - Purchase Requisition <u>Payment Method</u> Purchase Order	- RFP/RFQ to a list of consultants - Evaluation Spreadsheet w/ City Administrator Approval - Standard Agreement - Purchase Requisition <u>Payment Method</u> Purchase Order	- Formal RFP/RFQ - Advertisement - Council Approval - Standard Agreement signed by City Administrator - Purchase Requisition <u>Payment Method</u> Purchase Order

AGREEMENT FOR SERVICES
(For contracts over \$5,000 - CONSULTANT)

This AGREEMENT made this 7th day of February, 2022, between:

CITY: City of Gilroy, having a principal place of business at
7351 Rosanna Street, Gilroy, California

and CONSULTANT: Park Consulting Group, Inc, having a principal place of business at 200 Spectrum Center Drive #300, Irvine, CA 92618.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on 02/07/2022 and will continue in effect through 12/31/2022 unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

DS
Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONSULTANT is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT or any employee or agent of CONSULTANT. Both parties acknowledge that CONSULTANT is not an employee for state or federal tax purposes. CONSULTANT shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONSULTANT shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONSULTANT

A. Specific Services

CONSULTANT agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONSULTANT shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONSULTANT'S services.

C. Employment of Assistants

CONSULTANT may, at the CONSULTANT'S own expense, employ such assistants as CONSULTANT deems necessary to perform the services required of CONSULTANT by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONSULTANT'S assistants in the performance of those services. CONSULTANT assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONSULTANT shall perform the services required by this Agreement at any place or location and at such times as CONSULTANT shall determine is necessary to properly and timely perform CONSULTANT'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONSULTANT exceed \$284,000.

B. Invoices

CONSULTANT shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONSULTANT has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A"**, **Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONSULTANT of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONSULTANT shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONSULTANT, all fees, fines, licenses, bonds or taxes required of or imposed against CONSULTANT and all other of CONSULTANT'S costs of doing business. CITY shall not be responsible for any expenses incurred by CONSULTANT in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONSULTANT

A. Tools and Instrumentalities

CONSULTANT shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONSULTANT is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONSULTANT agrees to provide workers' compensation insurance for CONSULTANT'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONSULTANT'S employees.

C. Indemnification of Liability, Duty to Defend

1. As to professional liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, to the extent arising or resulting directly or indirectly from any willful or negligent acts, errors or omissions of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

2. As to other liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONSULTANT shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis with a minimum combined single limit coverage of \$1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property, including the loss of use thereof; and (b) Professional Liability Insurance (Errors & Omissions) with a minimum coverage of \$1,000,000 per occurrence or claim, and \$2,000,000 aggregate; provided however, Professional Liability Insurance written on a claims made basis must comply with the requirements set forth below. Professional Liability Insurance

written on a claims made basis (including without limitation the initial policy obtained and all subsequent policies purchased as renewals or replacements) must show the retroactive date, and the retroactive date must be before the earlier of the effective date of the contract or the beginning of the contract work. Claims made Professional Liability Insurance must be maintained, and written evidence of insurance must be provided, for at least five (5) years after the completion of the contract work. If claims made coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the earlier of the effective date of the contract or the beginning of the contract work, CONSULTANT must purchase so called “extended reporting” or “tail” coverage for a minimum of five (5) years after completion of work, which must also show a retroactive date that is before the earlier of the effective date of the contract or the beginning of the contract work. As a condition precedent to CITY’S obligations under this Agreement, CONSULTANT shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONSULTANT under this Agreement may be assigned or subcontracted by CONSULTANT without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONSULTANT is not CITY’S employee, CONSULTANT shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONSULTANT acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONSULTANT’S payments;
- CITY will not make state or federal unemployment insurance contributions on CONSULTANT’S behalf;
- CITY will not withhold state or federal income tax from payment to CONSULTANT;
- CITY will not make disability insurance contributions on behalf of CONSULTANT;
- CITY will not obtain workers’ compensation insurance on behalf of CONSULTANT.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONSULTANT and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONSULTANT'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONSULTANT. Such assignment shall not release CONSULTANT from any of CONSULTANT'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of Consultant's Business/ Death of Consultant.

CONSULTANT shall notify CITY of the proposed sale of CONSULTANT's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONSULTANT set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY's receipt of such notice of sale.

If CONSULTANT is an individual, this Agreement shall be deemed automatically terminated upon death of CONSULTANT.

B. Termination by City for Default of Consultant

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONSULTANT. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONSULTANT'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.
2. CONSULTANT'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONSULTANT shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONSULTANT. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONSULTANT'S default in the performance of this Agreement or material breach by CONSULTANT of any of its provisions, then in addition to any other rights and remedies CITY

may have, CONSULTANT shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONSULTANT for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONSULTANT all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONSULTANT, at the CONSULTANT'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONSULTANT to CITY.

D. Transition after Termination

Upon termination, CONSULTANT shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONSULTANT shall cease such work as soon as it is safe to do so. CONSULTANT shall incur no further expenses in connection with this Agreement. CONSULTANT shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONSULTANT's duties by any new consultant hired by the CITY to complete such services.

ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONSULTANT shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONSULTANT shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONSULTANT shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONSULTANT, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable

attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONSULTANT shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONSULTANT agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

F. Conflict of Interest

CONSULTANT certifies that to the best of its knowledge, no CITY employee or officer of any public agency interested in this Agreement has any pecuniary interest in the business of CONSULTANT and that no person associated with CONSULTANT has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONSULTANT for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A", Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

L. Waiver

CONSULTANT agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONSULTANT:

Park Consulting Group

DocuSigned by:

 By: _____
 Name: Glen Park
 Title: President

CITY:

CITY OF GILROY

DocuSigned by:

 By: _____
 Name: Jimmy Forbis
 Title: City Administrator

Social Security or Taxpayer
 Identification Number 47-1892447

Approved as to Form

DocuSigned by:

Andy Faber

1979C9EB5B66470...

City Attorney

ATTEST:

DocuSigned by:

[Signature]

1E54AA19B46C4BB...

City Clerk

EXHIBIT “A”
SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONSULTANT shall provide the services indicated on the attached **Exhibit “B”**, Scope of Services (“Services”). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONSULTANT agrees to assign Glen Park, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONSULTANT shall commence the Services upon delivery to CONSULTANT of a written “Notice to Proceed”, which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, Cindy McCormick shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONSULTANT or if otherwise delivered as provided in the **Section V.H.** (“Notices”) of this **Exhibit “A”**.

B. COMPLETION OF SERVICES

When CITY determines that CONSULTANT has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONSULTANT has not completed all of such Services as required by this Agreement, CITY shall so inform CONSULTANT within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit “C”**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONSULTANT as provided for in **Article 4** of this Agreement.

Direct expenses are charges and fees not included in **Exhibit “B”**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONSULTANT shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONSULTANT represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT’S representations and warranties regarding its skills, qualifications and licenses. CONSULTANT shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONSULTANT shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY’S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT’S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONSULTANT

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years (from the date of final payment to CONSULTANT), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT, all of which shall be made available to CITY at the CITY’s offices within five (5) business days after CITY’s request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written and oral information developed or received by or for CONSULTANT and all other written and oral information submitted to CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONSULTANT'S disclosure thereof) shall be deemed confidential. CONSULTANT shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONSULTANT shall not be responsible for, and City shall indemnify CONSULTANT from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY: Jimmy Forbis, City Administrator
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

CONSULTANT: Park Consulting Group
Attn: Glenn Park
200 Spectrum Center Drive, Suite 300
Irvine, CA 92618

I. FEDERAL FUNDING REQUIREMENTS.

- ☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.
- ☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONSULTANT shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

EXHIBIT “B”
SCOPE OF SERVICES

See attached



SCOPE OF SERVICES AND COST PROPOSAL

Park Consulting Group (PCG) will provide the City of Gilroy professional services for the City's Tyler EnerGov Land Management Systems (LMS) Project:

- **Our proposed services:**

PCG is recommending the following resources and proposed services to support the City to get the EnerGov project back on-track to Go-Live:

Proposed Resources:

Resource	Allocation	Assigned Resource
Project Manager	4 Hours Per Week	Glenn Park
Functional Consultants	30 Hours Per Week	Bryan Tung/ David Bloomgren
Report Developer	20 Custom Reports/ Forms	Jared Tan

Project Manager Responsibilities:

- Manage project scope, goals and deliverables that support business goals in collaboration with the IT Department, senior management and stakeholders.
- Effectively communicate project expectations to team members and stakeholders in a timely, clear fashion and ongoing basis.
- Monitor project expectations with team members and other stakeholders.
- Review project timeline, milestones and deliverables with City leadership and Tyler Tech PM
- Attend project meetings with staff and project stakeholders. This may include internal project briefings and project briefings with Tyler, in addition to others as requested.
- Review and provide input on all contracts with external vendors for integrations development and change orders.
- Coordinate escalation for questions and issues from the Project Team
- Address and/or escalate issues / risks as they come up.
- Delegate tasks and responsibilities to appropriate team members responsible to own deliverables for the project.
- Proactively identify issues and conflicts within the project team, third party vendor partners, and the business as needed; consult with city management to formulate a plan to resolve.
- Proactively communicate changes in project scope, identify potential crises, and devise contingency plans; communicate possible changes in scope to IT management and departments and divisions that are affected.
- Ensure that project risks are identified, documented, communicated, and addressed in a timely manner.
- Provide feedback on leading best practices to maximize system capabilities.
- Provide feedback on leading best practices for project implementation and deployment processes.



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Functional Consultant Responsibilities:

Design and Configuration:

- Support review of fee schedule and compare to LMS configuration to verify accurate fee setup.
- Support coordination of the configuration review and validation of templates.
- Support City configuration resources in making any needed changes to configuration.
- Support and review EnerGov configuration to verify accurate setup to configuration documentation and requirements.
- Support and review City-owned shared configuration including case type development, CSS, automations, georules, etc.
- Support and review data mapping and migration activities from legacy system to EnerGov.

User Acceptance Testing:

- Support the development of a user testing strategy and plan.
- Support test case/ script creation with responsible team members/ SMEs.
- Support user acceptance participant training and walkthroughs.
- Support setup for test case scenarios.
- Support user acceptance testing / retesting effort with City-designated testing leads and testers.
- Support prioritization and tracking of user acceptance testing / retesting results in testing tracking system.

End User Training:

- Support development of training plan and train-the-trainer approach.
- Support review of training environment setup and deployment.
- Support coordination and facilitation of end user training with staff trainers.
- Support training documentation and job aid development as required by staff.

Cutover and Go-Live Activities:

- Support Production cutover, Go-Live, post-Go-Live stabilization, and system troubleshooting (reporting, system enhancements, regulatory changes, etc.).
- Support the design, deployment, and onboarding of post-Go-Live / warranty enhancements.

Report Developer Responsibilities:

- Provide report development services to design, develop, and deploy City-assigned non-standard forms and statistical reports generated from EnerGov. City will provide a list of prioritized and ranked reports to be delivered
- Forms and reports will be developed utilizing Crystal Reports
- Park Consulting Group will own and perform the following services related to forms and reports design and development:
- Review specifications document and provide feedback as required to ensure requirements are fully understood for development
- Design and develop .RPT templates required for forms and reports (the City



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may have the opportunity to design and develop .RPT templates to conserve hours for PCG report development. This will be determined on a case-by-case basis by PCG)

- Develop stored procedures and queries required for forms and reports
- Prepare .RPT and stored procedures development package to be sent to Tyler Tech
- Send .RPT and stored procedures as required by Tyler Tech and cc: City (PCG can also manage this process through a City facilitated process)
- Maintain, enhance, update, and support forms and reports as requested
- Attend meetings with City and Tyler Tech related to design, development, and deployment of forms and reports

Other Project Responsibilities:

- Provide services for project team as needed throughout the LMS implementation project, as requested.

• Key Assumptions:

- PCG shall be responsible for advisory, implementation support services, and project management as requested by the City.
- Due to the City's desire to expedite the EnerGov project to Go-Live, the scope of the project will be focused on migrating existing LMS processes from Sungard and build upon the current LMS processes with extended EnerGov capabilities. Other processes, capabilities, and user groups not associated to the existing LMS processes from SunGard will be descoped in order to meet project timelines.
- City will provide a primary project contact that is available throughout the duration of services.
- City will provide process leads and subject matter experts to serve as project team members that are available throughout the duration of services to successfully deliver PCG services. Required minimum of 50% FTE per Lead/ SME.
- City estimates PCG should have the full ability to deliver the project remotely with no on-site visits and/ or incurred travel costs.
- Park Consulting Group provides a broad range of LMS implementation, advisory, and development services. City may request additional services outside of the scope of services and duration and will be considered based on the established hourly rates.
- City will work with Tyler Tech to provide the following for PCG:
 - Adequate software licensing for PCG to perform proposed services
 - Tyler Tech Sharepoint access
 - Login and access to EnerGov environments
 - Regular database backups of the EnerGov environment with the most up-to-date configuration and all related populated test data
 - Database backups to be transferrable to PCG technical environments to develop forms and reports



- **Cost Proposal:**

Resource	Build & Validate (5 Months)	Testing, Training, & Go-Live (5 Months)	TOTAL
Project Manager	\$19,500 (20 Hrs/ Mo)	\$19,500 (20 Hrs/ Mo)	\$39,000
Functional Consultant	\$105,000 (120 Hrs/ Mo)	\$105,000 (120 Hrs/ Mo)	\$210,000
Report Developer	\$35,000 (20 Reports)		\$35,000
TOTAL	\$159,000	\$124,500	\$284,000

- **Total Not-to Exceed:** \$284,000
- **Duration of Services:** December 1, 2021 – December 31, 2023
- PCG's services will be billed based on the following hourly rate(s):

Park Consulting Resources	2021-23 Rates
Principal LMS Consultant/ Project Manager	\$195/ hour
LMS Functional Consultant	\$175/ hour
Report Developer	\$175/ hour
GIS Consultant	\$175/ hour

EXHIBIT “C”
MILESTONE SCHEDULE

See attached

EnerGov Project Timeline

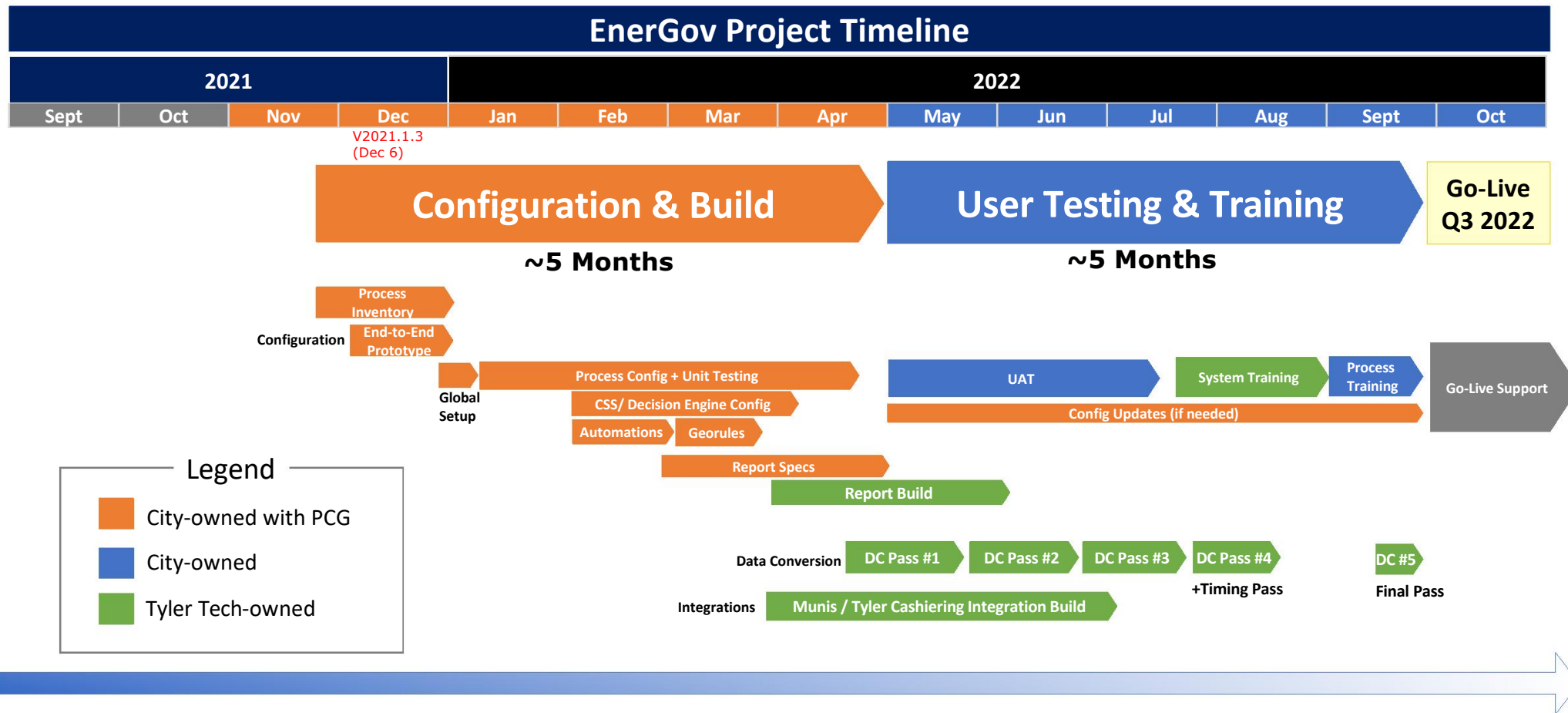


EXHIBIT “D”

PAYMENT SCHEDULE

Within 30 days of receipt of invoice based on time and materials per rates in Exhibit B



CERTIFICATE OF LIABILITY INSURANCE

83

DATE (MM/DD/YYYY)

1/14/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Wood Gutmann & Bogart Insurance Brokers 15901 Red Hill Ave. Tustin CA 92780	CONTACT NAME: Rachelle Williams PHONE (A/C, No, Ext): 714-505-7000 FAX (A/C, No): 714-573-1770 E-MAIL: rwilliams@wgbib.com ADDRESS:
INSURED Park Consulting Group, Inc. 200 Spectrum Center Dr Ste 300 Irvine CA 92618	License#: 0679263 PARKC-2 INSURER(S) AFFORDING COVERAGE INSURER A: Citizen Insurance of America INSURER B: The Hanover Insurance Co INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES**CERTIFICATE NUMBER:**1372017995**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR ☒ 500 GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:			OB3D808332	1/18/2022	1/18/2023	EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			W23H631525	6/1/2021	6/1/2022	X PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Errors & Omissions			LH3H431766	1/18/2022	1/18/2023	Each Limit \$2,000,000
B	Cyber & Privacy Security			LH3H431766	1/18/2022	1/18/2023	Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Gilroy, it's officers, employees, agents, and representatives are named as additional insured on the General Liability per attached 3911006 0816 as required by written contract subject to the terms and conditions of the policy.

CERTIFICATE HOLDER**CANCELLATION**

City of Gilroy
 7351 Rosanna Street
 Gilroy CA 95020

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

p. 236 of 1163

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS LIABILITY SPECIAL BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SUMMARY OF COVERAGES	Limits	Page
1. Additional Insured by Contract, Agreement or Permit	Included	1
2. Additional Insured - Broad Form Vendors	Included	2
3. Alienated Premises	Included	3
4. Broad Form Property Damage - Borrowed Equipment, Customers Goods and Use of Elevators	Included	3
5. Incidental Malpractice (Employed Nurses, EMT's and Paramedics)	Included	3
6. Personal and Advertising Injury - Broad Form	Included	4
7. Product Recall Expense	Included	4
Product Recall Expense Each Occurrence Limit	\$25,000 Occurrence	5
Product Recall Expense Aggregate Limit	\$50,000 Aggregate	5
Product Recall Deductible	\$500	5
8. Unintentional Failure to Disclose Hazards	Included	6
9. Unintentional Failure to Notify	Included	6

This endorsement amends coverages provided under the Businessowners Coverage Form through new coverages and broader coverage grants. This coverage is subject to the provisions applicable to the Businessowners Coverage Form, except as provided below.

The following changes are made to **SECTION II - LIABILITY**:

1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II - LIABILITY, C. Who Is An Insured**:

Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit to add such person or organization as an additional insured on your policy is an additional insured only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;

- (2) Premises you own, rent, lease or occupy; or

- (3) Your maintenance, operation or use of equipment leased to you.

- b. The insurance afforded to such additional insured described above:

- (1) Only applies to the extent permitted by law; and

- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.

- (4) Will not be broader than coverage provided to any other insured.

- (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.

c. This provision does not apply:

- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
- (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
- (3) To any lessor of equipment:
 - (a) After the equipment lease expires; or
 - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor.
- (4) To any:
 - (a) Owners or other interests from whom land has been leased if the "occurrence" takes place or the offense is committed after the lease for the land expires; or
 - (b) Managers or lessors of premises if:
 - (i) The "occurrence" takes place or the offense is committed after you cease to be a tenant in that premises; or
 - (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
- (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and advertising injury" involved the rendering of or failure to render any professional services by or for you.

d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION II - LIABILITY, D. Liability and Medical Expense Limits of Insurance:**

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

1. Required by the contract, agreement or permit described in Paragraph a.; or
2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations

- e. All other insuring agreements, exclusions, and conditions of the policy apply.

2. **Additional Insured - Broad Form Vendors**

The following is added to **SECTION II - LIABILITY, C. Who Is An Insured:**

Additional Insured - Broad Form Vendors

- a. Any person or organization that is a vendor with whom you agreed in a written contract or written agreement to include as an additional insured under this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.
- b. The insurance afforded to such vendor described above:
 - (1) Only applies to the extent permitted by law;
 - (2) Will not be broader than the insurance which you are required by the contract or agreement to provide for such vendor;
 - (3) Will not be broader than coverage provided to any other insured; and
 - (4) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto
- c. With respect to insurance afforded to such vendors, the following additional exclusions apply:

The insurance afforded to the vendor does not apply to:

 - (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
 - (2) Any express warranty unauthorized by you;

- (3) Any physical or chemical change in the product made intentionally by the vendor;
 - (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;
 - (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
 - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
 - (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (a) The exceptions contained within the exclusion in subparagraphs (4) or (6) above; or
 - (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
 - (9) "Bodily injury" or "property damage" arising out of an "occurrence" that took place before you have signed the contract or agreement with the vendor.
 - (10) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
 - (11) Any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- d. With respect to the insurance afforded to these vendors, the following is added to **SECTION II - LIABILITY, D. Liability and Medical Expense Limits of Insurance**:
- The most we will pay on behalf of the vendor for a covered claim is the lesser of the amount of insurance:
1. Required by the contract or agreement described in Paragraph a.; or
 2. Available under the applicable Limits of Insurance shown in the Declarations;
- This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.
3. **Alienated Premises**
- SECTION II - LIABILITY, B. Exclusions, 1. Applicable To Business Liability Coverage k. Damage to Property**, paragraph (2) is replaced by the following:
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.
4. **Broad Form Property Damage - Borrowed Equipment, Customers Goods, Use of Elevators**
- a. The following is added to **SECTION II - LIABILITY, B. Exclusions, 1. Applicable To Business Liability Coverage, k. Damage to Property**:
- Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.
- Paragraph (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor to the use of elevators.
- b. For the purposes of this endorsement, the following definition is added to **SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions**:
1. "Customers goods" means property of your customer on your premises for the purpose of being:
 - a. Worked on; or
 - b. Used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent or on any other basis.
5. **Incidental Malpractice - Employed Nurses, EMT's and Paramedics**
- SECTION II - LIABILITY, C. Who Is An Insured**, paragraph 2.a.(1)(d) does not apply to a nurse,



City of Gilroy

STAFF REPORT

Agenda Item Title: **Award of a Contract to David J. Powers & Associates, Inc. in the Amount of \$360,069 with a Project Contingency of \$36,007 (10%), for a Total Cost of \$396,076 for 10th Street Bridge at Uvas Creek Environmental Compliance Services, Project M 16-10 and Adopt a Resolution Amending the Budget for the City of Gilroy for 2022-2023 and Appropriating Proposed Expenditure Amendments**

Meeting Date: May 1, 2023
 From: Jimmy Forbis, City Administrator
 Department: Community Development
 Submitted By: Sharon Goei, Community Development Director
 Prepared By: Melissa Durkin, Planner II

STRATEGIC PLAN GOALS

Ensure Neighborhood Equity from City Services
 Maintain and Improve City Infrastructure

RECOMMENDATION

- a) Award a Contract to David J. Powers & Associates, Inc. in the amount of \$360,069 with an additional project contingency of \$36,007 (10%), for a total cost of \$396,076 for 10th Street Bridge at Uvas Creek environmental compliance services and authorize the City Administrator to execute the contract and associated documents; and
- b) Adopt a resolution amending the budget for the City of Gilroy for 2022-2023 and appropriating proposed expenditure amendments.

BACKGROUND

Tenth Street (10th Street) is a key component of the City's mobility infrastructure. This street has long been planned as one of Gilroy's primary east-west connector streets, linking State Route (SR) 101 with Santa Teresa Boulevard, providing vehicle, bicycle, and pedestrian connectivity between Gilroy's east and west sides.

8.4

Award of a Contract to David J. Powers & Associates, Inc. in the Amount of \$360,069 with a Project Contingency of \$36,007 (10%), for a Total Cost of \$396,076 for 10th Street Bridge at Uvas Creek Environmental Compliance Services, Project M 16-10 and Adopt a Resolution Amending the Budget for the City of Gilroy for 2022-2023 and Appropriating Proposed Expenditure Amendments

Tenth Street currently terminates on the east side of Uvas Creek at Uvas Parkway and the west side of Uvas Creek at De Anza Place. Construction of the 10th Street Bridge over Uvas Creek will connect these two segments, resulting in a continuous roadway extending from Santa Teresa Boulevard to SR 101.

The City of Gilroy is seeking a grant to fund bridge construction. The City Council directed staff to begin the bridge design and environmental compliance processes while staff sought grant funding. City staff has taken the following actions to move forward in this direction:

- In 2016, the City began the CEQA proposal process. The decision was made not to proceed at that time due to a lack of funding for bridge construction and uncertainty on the scope of bridge design and associated improvements.
- In 2020, the City began the CEQA process again. The decision was made not to proceed for the same reason as in 2016.
- In 2021, the City held a request for proposals (RFP) process for environmental services. Three proposals were received. Details are described in the next section.
- In 2022, the City's Public Works Department worked with the bridge consultant to finalize the scope of bridge design and associated improvements. The environmental documentation can now proceed.

ANALYSIS

Staff released a request for proposals (RFP) on June 25, 2021, for the 10th Street Bridge at Uvas Creek Environmental Compliance Services. Staff advertised the RFP in the San Jose Mercury News and on the City's Bid Posting webpage. An addendum to the RFP was published on July 21, 2021.

The Request for Proposals (RFP) identified the City's desire to retain the services of a qualified consultant to provide environmental services for the 10th Street Bridge at Uvas Creek project. The scope of work included California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) documentation for the proposed bridge and Santa Clara Valley Habitat Plan permitting. The RFP required the studies to follow Caltrans Office of Local Assistance procedures and utilize formats published on the Caltrans Standard Environmental Reference (SER) website because the project proposes to use federal funds.

Project Proposals: The City received three proposals. Two proposals were from consultants from the City's On-Call Consultant Selection List (David J. Powers & Associates, Inc. and Michael Baker International), and one was from a firm not on the list (MIG). A fourth firm (FirstCarbon Solutions) submitted a letter declining to bid.

8.4

Award of a Contract to David J. Powers & Associates, Inc. in the Amount of \$360,069 with a Project Contingency of \$36,007 (10%), for a Total Cost of \$396,076 for 10th Street Bridge at Uvas Creek Environmental Compliance Services, Project M 16-10 and Adopt a Resolution Amending the Budget for the City of Gilroy for 2022-2023 and Appropriating Proposed Expenditure Amendments

Proposal Evaluation: In accordance with the RFP and the City’s standard evaluation and scoring criteria, proposals were evaluated based on the consultant’s corporate and team member qualifications and experience; understanding of the scope of services; reference quality and responses; and the overall quality of the response to the RFP. This was a qualifications-based process, so consultant costs were not considered part of the evaluation.

The proposals were reviewed and scored separately by the reviewers. The strengths and weaknesses of each consultant team were discussed, and the individual scores were averaged to determine the preferred consultant team. The rank and budget for each consultant are provided in the table below.

Rank	Consultant Name	Total Budget
1	David J. Powers & Associates, Inc.	\$387,030 ¹
2	Michael Baker International (MBI)	\$399,775 ²
3	MIG	\$299,966 ²

David J. Powers & Associates, Inc. and Michael Baker International demonstrated extensive experience providing environmental services for bridge projects that involve compliance with Caltrans Office of Local Assistance procedures. The third firm, MIG, did not demonstrate the same level of experience.

EXCLUSIONS

The scope of work is for CEQA and NEPA environmental compliance only. The scope of work does not include noticing and filing costs; post-CEQA environmental work needed to complete necessary permitting; preparation of a restoration plan; or obtaining any regulatory permits.

ALTERNATIVES

Council could choose to reject all proposals. Staff does not recommend this option as this would delay the environmental analysis for the bridge, potentially jeopardizing grant opportunities that could fund bridge construction. The costs associated with this project are also likely to rise if a new Request for Proposals process occurs.

¹ David J. Powers identified some tasks as optional tasks. Staff has determined these tasks will be necessary, so they are included in the total budget.

² Staff has determined a hydroacoustical analysis will be required. Neither MBI nor MIG included this analysis in their proposals. This task would add costs to their proposed budgets.

8.4

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FISCAL IMPACT/FUNDING SOURCE

The funding for this project will be drawn from the City's Traffic Impact Fee Fund (fund 425). There are sufficient monies in this fund to pay for the proposed environmental services. Funding for this contract will be appropriated in Fiscal Year 2023 (FY23) since funds will be encumbered in FY23. The FY23 budget will need to be amended to appropriate funds for these services. A resolution approving this amendment is included as staff report attachment 2.

NEXT STEPS

Upon Council's approval, the contract with David J. Powers & Associates, Inc. will be executed, and the consultant will begin work.

Attachments:

1. David J. Powers Agreement for 10th Street Bridge at Uvas Creek Environmental Compliance Services
2. Draft Resolution Amending the City of Gilroy 2022-2023 Budget and Appropriating Proposed Expenditure Amendments

AGREEMENT FOR SERVICES
(For contracts over \$5,000 - CONSULTANT)

This AGREEMENT made this 1st day of May, 2023, between:

CITY: City of Gilroy, having a principal place of business at
7351 Rosanna Street, Gilroy, California

and CONSULTANT: David J. Powers & Associates, Inc., having a principal place of business at
1871 The Alameda, Suite 200, San Jose, CA 95126.

ARTICLE 1. TERM OF AGREEMENT

This Agreement will become effective on May 1, 2023 and will continue in effect through completion of the scope of work unless terminated in accordance with the provisions of **Article 7** of this Agreement.

Any lapse in insurance coverage as required by Article 5, Section D of this Agreement shall terminate this Agreement regardless of any other provision stated herein.

Initial

ARTICLE 2. INDEPENDENT CONTRACTOR STATUS

It is the express intention of the parties that CONSULTANT is an independent contractor and not an employee, agent, joint venturer or partner of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT or any employee or agent of CONSULTANT. Both parties acknowledge that CONSULTANT is not an employee for state or federal tax purposes. CONSULTANT shall not be entitled to any of the rights or benefits afforded to CITY'S employees, including, without limitation, disability or unemployment insurance, workers' compensation, medical insurance, sick leave, retirement benefits or any other employment benefits. CONSULTANT shall retain the right to perform services for others during the term of this Agreement.

ARTICLE 3. SERVICES TO BE PERFORMED BY CONSULTANT

A. Specific Services

CONSULTANT agrees to: Perform the services as outlined in **Exhibit "A"** ("Specific Provisions") and **Exhibit "B"** ("Scope of Services"), within the time periods described in **Exhibit "C"** ("Milestone Schedule").

B. Method of Performing Services

CONSULTANT shall determine the method, details and means of performing the above-described services. CITY shall have no right to, and shall not, control the manner or determine the method of accomplishing CONSULTANT'S services.

C. Employment of Assistants

CONSULTANT may, at the CONSULTANT'S own expense, employ such assistants as CONSULTANT deems necessary to perform the services required of CONSULTANT by this Agreement, subject to the prohibition against assignment and subcontracting contained in **Article 5** below. CITY may not control, direct, or supervise CONSULTANT'S assistants in the performance of those services. CONSULTANT assumes full and sole responsibility for the payment of all compensation and expenses of these assistants and for all state and federal income tax, unemployment insurance, Social Security, disability insurance and other applicable withholding.

D. Place of Work

CONSULTANT shall perform the services required by this Agreement at any place or location and at such times as CONSULTANT shall determine is necessary to properly and timely perform CONSULTANT'S services.

ARTICLE 4. COMPENSATION

A. Consideration

In consideration for the services to be performed by CONSULTANT, CITY agrees to pay CONSULTANT the amounts set forth in **Exhibit "D"** ("Payment Schedule"). In no event however shall the total compensation paid to CONSULTANT exceed \$360,069.

B. Invoices

CONSULTANT shall submit invoices for all services rendered.

C. Payment

Payment shall be due according to the payment schedule set forth in **Exhibit "D"**. No payment will be made unless CONSULTANT has first provided City with a written receipt of invoice describing the work performed and any approved direct expenses (as provided for in **Exhibit "A"**, **Section IV**) incurred during the preceding period. If CITY objects to all or any portion of any invoice, CITY shall notify CONSULTANT of the objection within thirty (30) days from receipt of the invoice, give reasons for the objection, and pay that portion of the invoice not in dispute. It shall not constitute a default or breach of this Agreement for CITY not to pay any invoiced amounts to which it has objected until the objection has been resolved by mutual agreement of the parties.

D. Expenses

CONSULTANT shall be responsible for all costs and expenses incident to the performance of services for CITY, including but not limited to, all costs of equipment used or provided by CONSULTANT, all fees, fines, licenses, bonds or taxes required of or imposed against CONSULTANT and all other of CONSULTANT'S costs of doing business. CITY shall not be responsible for any expenses incurred by CONSULTANT in performing services for CITY, except for those expenses constituting "direct expenses" referenced on **Exhibit "A."**

ARTICLE 5. OBLIGATIONS OF CONSULTANT

A. Tools and Instrumentalities

CONSULTANT shall supply all tools and instrumentalities required to perform the services under this Agreement at its sole cost and expense. CONSULTANT is not required to purchase or rent any tools, equipment or services from CITY.

B. Workers' Compensation

CONSULTANT agrees to provide workers' compensation insurance for CONSULTANT'S employees and agents and agrees to hold harmless, defend with counsel acceptable to CITY and indemnify CITY, its officers, representatives, agents and employees from and against any and all claims, suits, damages, costs, fees, demands, causes of action, losses, liabilities and expenses, including without limitation reasonable attorneys' fees, arising out of any injury, disability, or death of any of CONSULTANT'S employees.

C. Indemnification of Liability, Duty to Defend

1. As to professional liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, to the extent arising or resulting directly or indirectly from any willful or negligent acts, errors or omissions of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

2. As to other liability, to the fullest extent permitted by law, CONSULTANT shall defend, through counsel approved by CITY (which approval shall not be unreasonably withheld), indemnify and hold harmless CITY, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys' fees, arising or resulting directly or indirectly from any act or omission of CONSULTANT or CONSULTANT'S assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property.

D. Insurance

In addition to any other obligations under this Agreement, CONSULTANT shall, at no cost to CITY, obtain and maintain throughout the term of this Agreement: (a) Commercial Liability Insurance on a per occurrence basis, including coverage for owned and non-owned automobiles, with a minimum combined single limit coverage of \$1,000,000 per occurrence for all damages due to bodily injury, sickness or disease, or death to any person, and damage to property, including the loss of use thereof; and (b) Professional Liability Insurance (Errors & Omissions) with a minimum coverage of \$1,000,000 per occurrence or claim, and \$2,000,000 aggregate; provided however, Professional Liability Insurance written on a claims made basis must comply with the requirements

set forth below. Professional Liability Insurance written on a claims made basis (including without limitation the initial policy obtained and all subsequent policies purchased as renewals or replacements) must show the retroactive date, and the retroactive date must be before the earlier of the effective date of the contract or the beginning of the contract work. Claims made Professional Liability Insurance must be maintained, and written evidence of insurance must be provided, for at least five (5) years after the completion of the contract work. If claims made coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the earlier of the effective date of the contract or the beginning of the contract work, CONSULTANT must purchase so called “extended reporting” or “tail” coverage for a minimum of five (5) years after completion of work, which must also show a retroactive date that is before the earlier of the effective date of the contract or the beginning of the contract work. As a condition precedent to CITY’S obligations under this Agreement, CONSULTANT shall furnish written evidence of such coverage (naming CITY, its officers and employees as additional insureds on the Comprehensive Liability insurance policy referred to in (a) immediately above via a specific endorsement) and requiring thirty (30) days written notice of policy lapse or cancellation, or of a material change in policy terms.

E. Assignment

Notwithstanding any other provision of this Agreement, neither this Agreement nor any duties or obligations of CONSULTANT under this Agreement may be assigned or subcontracted by CONSULTANT without the prior written consent of CITY, which CITY may withhold in its sole and absolute discretion.

F. State and Federal Taxes

As CONSULTANT is not CITY’S employee, CONSULTANT shall be responsible for paying all required state and federal taxes. Without limiting the foregoing, CONSULTANT acknowledges and agrees that:

- CITY will not withhold FICA (Social Security) from CONSULTANT’S payments;
- CITY will not make state or federal unemployment insurance contributions on CONSULTANT’S behalf;
- CITY will not withhold state or federal income tax from payment to CONSULTANT;
- CITY will not make disability insurance contributions on behalf of CONSULTANT;
- CITY will not obtain workers’ compensation insurance on behalf of CONSULTANT.

ARTICLE 6. OBLIGATIONS OF CITY

A. Cooperation of City

CITY agrees to respond to all reasonable requests of CONSULTANT and provide access, at reasonable times following receipt by CITY of reasonable notice, to all documents reasonably necessary to the performance of CONSULTANT'S duties under this Agreement.

B. Assignment

CITY may assign this Agreement or any duties or obligations thereunder to a successor governmental entity without the consent of CONSULTANT. Such assignment shall not release CONSULTANT from any of CONSULTANT'S duties or obligations under this Agreement.

ARTICLE 7. TERMINATION OF AGREEMENT

A. Sale of Consultant's Business/ Death of Consultant.

CONSULTANT shall notify CITY of the proposed sale of CONSULTANT's business no later than thirty (30) days prior to any such sale. CITY shall have the option of terminating this Agreement within thirty (30) days after receiving such notice of sale. Any such CITY termination pursuant to this **Article 7.A** shall be in writing and sent to the address for notices to CONSULTANT set forth in **Exhibit A, Subsection V.H.**, no later than thirty (30) days after CITY's receipt of such notice of sale.

If CONSULTANT is an individual, this Agreement shall be deemed automatically terminated upon death of CONSULTANT.

B. Termination by City for Default of Consultant

Should CONSULTANT default in the performance of this Agreement or materially breach any of its provisions, CITY, at CITY'S option, may terminate this Agreement by giving written notification to CONSULTANT. For the purposes of this section, material breach of this Agreement shall include, but not be limited to the following:

1. CONSULTANT'S failure to professionally and/or timely perform any of the services contemplated by this Agreement.
2. CONSULTANT'S breach of any of its representations, warranties or covenants contained in this Agreement.

CONSULTANT shall be entitled to payment only for work completed in accordance with the terms of this Agreement through the date of the termination notice, as reasonably determined by CITY, provided that such payment shall not exceed the amounts set forth in this Agreement for the tasks described on Exhibit C" which have been fully, competently and timely rendered by CONSULTANT. Notwithstanding the foregoing, if CITY terminates this Agreement due to CONSULTANT'S default in the performance of this Agreement or material breach by CONSULTANT of any of its provisions, then in addition to any other rights and remedies CITY

may have, CONSULTANT shall reimburse CITY, within ten (10) days after demand, for any and all costs and expenses incurred by CITY in order to complete the tasks constituting the scope of work as described in this Agreement, to the extent such costs and expenses exceed the amounts CITY would have been obligated to pay CONSULTANT for the performance of that task pursuant to this Agreement.

C. Termination for Failure to Make Agreed-Upon Payments

Should CITY fail to pay CONSULTANT all or any part of the compensation set forth in Article 4 of this Agreement on the date due, then if and only if such nonpayment constitutes a default under this Agreement, CONSULTANT, at the CONSULTANT'S option, may terminate this Agreement if such default is not remedied by CITY within thirty (30) days after demand for such payment is given by CONSULTANT to CITY.

D. Transition after Termination

Upon termination, CONSULTANT shall immediately stop work, unless cessation could potentially cause any damage or harm to person or property, in which case CONSULTANT shall cease such work as soon as it is safe to do so. CONSULTANT shall incur no further expenses in connection with this Agreement. CONSULTANT shall promptly deliver to CITY all work done toward completion of the services required hereunder, and shall act in such a manner as to facilitate any the assumption of CONSULTANT's duties by any new consultant hired by the CITY to complete such services.

ARTICLE 8. GENERAL PROVISIONS

A. Amendment & Modification

No amendments, modifications, alterations or changes to the terms of this Agreement shall be effective unless and until made in a writing signed by both parties hereto.

B. Americans with Disabilities Act of 1990

Throughout the term of this Agreement, the CONSULTANT shall comply fully with all applicable provisions of the Americans with Disabilities Act of 1990 ("the Act") in its current form and as it may be amended from time to time. CONSULTANT shall also require such compliance of all subcontractors performing work under this Agreement, subject to the prohibition against assignment and subcontracting contained in Article 5 above. The CONSULTANT shall defend with counsel acceptable to CITY, indemnify and hold harmless the CITY OF GILROY, its officers, employees, agents and representatives from and against all suits, claims, demands, damages, costs, causes of action, losses, liabilities, expenses and fees, including without limitation reasonable attorneys' fees, that may arise out of any violations of the Act by the CONSULTANT, its subcontractors, or the officers, employees, agents or representatives of either.

C. Attorneys' Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable

attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

D. Captions

The captions and headings of the various sections, paragraphs and subparagraphs of the Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

E. Compliance with Laws

The CONSULTANT shall keep itself informed of all State and National laws and all municipal ordinances and regulations of the CITY which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Without limiting the foregoing, CONSULTANT agrees to observe the provisions of the Municipal Code of the CITY OF GILROY, obligating every contractor or subcontractor under a contract or subcontract to the CITY OF GILROY for public works or for goods or services to refrain from discriminatory employment or subcontracting practices on the basis of the race, color, sex, religious creed, national origin, ancestry of any employee, applicant for employment, or any potential subcontractor.

F. Conflict of Interest

CONSULTANT certifies that to the best of its knowledge, no CITY employee or officer of any public agency interested in this Agreement has any pecuniary interest in the business of CONSULTANT and that no person associated with CONSULTANT has any interest that would constitute a conflict of interest in any manner or degree as to the execution or performance of this Agreement.

G. Entire Agreement

This Agreement supersedes any and all prior agreements, whether oral or written, between the parties hereto with respect to the rendering of services by CONSULTANT for CITY and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

No other agreements or conversation with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Such other agreements or conversations shall be considered as unofficial information and in no way binding upon CITY.

H. Governing Law and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to the conflict of laws provisions of any jurisdiction. The exclusive jurisdiction and venue with respect to any and all disputes arising hereunder shall be in state and federal courts located in Santa Clara County, California.

I. Notices

Any notice to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing in **Exhibit "A", Section V.H.** but each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed delivered as of actual receipt; mailed notices will be deemed delivered as of three (3) days after mailing.

J. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

K. Time of the Essence

All dates and times referred to in this Agreement are of the essence.

L. Waiver

CONSULTANT agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

Executed at Gilroy, California, on the date and year first above written.

CONSULTANT:

CITY:

David J. Powers & Associates, Inc.

CITY OF GILROY

By: _____

By: _____

Name: Akoni Daniels

Name: Jimmy Forbis

Title: President

Title: City Administrator

Social Security or Taxpayer

Identification Number 77-0219577

Approved as to Form

ATTEST:

City Attorney

City Clerk

EXHIBIT “A”

SPECIFIC PROVISIONS

I. PROJECT MANAGER

CONSULTANT shall provide the services indicated on the attached **Exhibit “B”**, Scope of Services (“Services”). (All exhibits referenced are incorporated herein by reference.) To accomplish that end, CONSULTANT agrees to assign Patrick Kallas, who will act in the capacity of Project Manager, and who will personally direct such Services.

Except as may be specified elsewhere in this Agreement, CONSULTANT shall furnish all technical and professional services including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to complete the Services in accordance with the terms of this Agreement.

II. NOTICE TO PROCEED/COMPLETION OF SERVICE

A. NOTICE TO PROCEED

CONSULTANT shall commence the Services upon delivery to CONSULTANT of a written “Notice to Proceed”, which Notice to Proceed shall be in the form of a written communication from designated City contact person(s). Notice to Proceed may be in the form of e-mail, fax or letter authorizing commencement of the Services. For purposes of this Agreement, Melissa Durkin shall be the designated City contact person(s). Notice to Proceed shall be deemed to have been delivered upon actual receipt by CONSULTANT or if otherwise delivered as provided in the **Section V.H.** (“Notices”) of this **Exhibit “A”**.

B. COMPLETION OF SERVICES

When CITY determines that CONSULTANT has completed all of the Services in accordance with the terms of this Agreement, CITY shall give CONSULTANT written Notice of Final Acceptance, and CONSULTANT shall not incur any further costs hereunder. CONSULTANT may request this determination of completion when, in its opinion, it has completed all of the Services as required by the terms of this Agreement and, if so requested, CITY shall make this determination within two (2) weeks of such request, or if CITY determines that CONSULTANT has not completed all of such Services as required by this Agreement, CITY shall so inform CONSULTANT within this two (2) week period.

III. PROGRESS SCHEDULE

The schedule for performance and completion of the Services will be as set forth in the attached **Exhibit “C”**.

IV. PAYMENT OF FEES AND DIRECT EXPENSES

Payments shall be made to CONSULTANT as provided for in **Article 4** of this Agreement.

Direct expenses are charges and fees not included in **Exhibit “B”**. CITY shall be obligated to pay only for those direct expenses which have been previously approved in writing by CITY. CONSULTANT shall obtain written approval from CITY prior to incurring or billing of direct expenses.

Copies of pertinent financial records, including invoices, will be included with the submission of billing(s) for all direct expenses.

V. OTHER PROVISIONS

A. STANDARD OF WORKMANSHIP

CONSULTANT represents and warrants that it has the qualifications, skills and licenses necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONSULTANT’S representations and warranties regarding its skills, qualifications and licenses. CONSULTANT shall perform such Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

Any plans, designs, specifications, estimates, calculations, reports and other documents furnished under this Agreement shall be of a quality acceptable to CITY. The minimum criteria for acceptance shall be a product of neat appearance, well-organized, technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by CITY for similar purposes.

B. RESPONSIBILITY OF CONSULTANT

CONSULTANT shall be responsible for the professional quality, technical accuracy, and the coordination of the Services furnished by it under this Agreement. CONSULTANT shall not be responsible for the accuracy of any project or technical information provided by the CITY. The CITY’S review, acceptance or payment for any of the Services shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONSULTANT shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONSULTANT’S negligent performance of any of the services furnished under this Agreement.

C. RIGHT OF CITY TO INSPECT RECORDS OF CONSULTANT

CITY, through its authorized employees, representatives or agents, shall have the right, at any and all reasonable times, to audit the books and records (including, but not limited to, invoices, vouchers, canceled checks, time cards, etc.) of CONSULTANT for the purpose of verifying any and all charges made by CONSULTANT in connection with this Agreement. CONSULTANT shall maintain for a minimum period of three (3) years (from the date of final payment to CONSULTANT), or for any longer period required by law, sufficient books and records in accordance with standard California accounting practices to establish the correctness of all charges submitted to CITY by CONSULTANT, all of which shall be made available to CITY at the CITY’s offices within five (5) business days after CITY’s request.

D. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data (including, but not limited to, computer data and source code), drawings, descriptions, documents, discussions or other information developed or received by or for CONSULTANT and all other written and oral information developed or received by or for CONSULTANT and all other written and oral information submitted to CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shall not, without the prior written consent of CITY, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with the performance of the such Services. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or becomes generally known to the related industry (other than that which becomes generally known as the result of CONSULTANT'S disclosure thereof) shall be deemed confidential. CONSULTANT shall not use CITY'S name or insignia, or distribute publicity pertaining to the services rendered under this Agreement in any magazine, trade paper, newspaper or other medium without the express written consent of CITY.

E. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall CONSULTANT have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

F. OWNERSHIP OF MATERIAL.

All material including, but not limited to, computer information, data and source code, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared (or caused to be prepared) under this Agreement shall be the property of CITY, but CONSULTANT may retain and use copies thereof subject to **Section V.D** of this **Exhibit "A"**.

CITY shall not be limited in any way in its use of said material at any time for any work, whether or not associated with the City project for which the Services are performed. However, CONSULTANT shall not be responsible for, and City shall indemnify CONSULTANT from, damages resulting from the use of said material for work other than PROJECT, including, but not limited to, the release of this material to third parties for work other than on PROJECT.

G. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

H. NOTICES.

Notices are to be sent as follows:

CITY:	<u>Sharon Goei</u> City of Gilroy 7351 Rosanna Street Gilroy, CA 95020
CONSULTANT:	<u>Akoni Daniels</u> <u>David J. Powers & Associates, Inc.</u> <u>1871 The Alameda, Suite 200</u> <u>San Jose, CA 95126</u>

I. FEDERAL FUNDING REQUIREMENTS.

- ☐ If the box to the left of this sentence is checked, this Agreement involves federal funding and the requirements of this **Section V.I.** apply.
- ☒ If the box to the left of this sentence is checked, this Agreement does not involve federal funding and the requirements of this **Section V.I.** do not apply.

1. DBE Program

CONSULTANT shall comply with the requirements of Title 49, Part 26, Code of Federal Regulations (49 CFR 26) and the City-adopted Disadvantaged Business Enterprise programs.

2. Cost Principles

Federal Acquisition Regulations in Title 48, CFR 31, shall be used to determine the allowable cost for individual items.

3. Covenant against Contingent Fees

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the CONSULTANT, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, the Local Agency shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

EXHIBIT “B”
SCOPE OF SERVICES

Attached.



**10TH STREET BRIDGE AT UVAS CREEK
NEPA/CEQA COMPLIANCE & PERMITTING
UPDATED APPROACH AND SCOPE
July 8, 2022**

PROJECT DESCRIPTION

The 10th Street Bridge at Uvas Creek Project (Project) would connect two existing segments of 10th Street in the City of Gilroy by constructing a bridge over Uvas Creek. Improvements to 10th Street and other nearby roadways are also included in the Project.¹ The Project would implement a key improvement to the City's transportation network as identified in the Gilroy General Plan.

Project Components

The components of the Project are described as follows:

10th Street Bridge at Uvas Creek: A new bridge would be constructed over Uvas Creek that would connect two existing segments of 10th Street. The new bridge would have a width of approximately 74 feet and a length of approximately 315 feet. It would include two vehicular traffic lanes, a median to accommodate nearby intersections as well as shielded bicycle lanes and pedestrian sidewalks on both sides. The bridge would be a 3-span structure. The piers and abutments would be located outside of the low-flow channel of Uvas Creek. To accommodate the new bridge, the profile of 10th Street and Uvas Park Drive would be raised on approach embankments.

Uvas Creek Levee Trail “Breezeway” Bridge and Connections: This component of the Project would consist of a short (31-foot long) bridge on 10th Street immediately east of the proposed Uvas Creek bridge. The bridge would be located behind the east levee of Uvas Creek and would allow users of the Uvas Creek Levee Trail to pass unimpeded under 10th Street. Connections between 10th Street and the trail would also be constructed to accommodate those cyclists and pedestrians entering or exiting the trail at that location.

Uvas Creek Levee Trail Realignment: To accommodate the proposed bridge, as well as to improve public safety and accommodate the request of the Santa Clara Valley Water District to shift the levee to match the new “back of walk”, a short segment of the Uvas Creek Levee Trail north and south of 10th Street would be realigned.

¹ Uvas Creek is assumed to flow in a north-south orientation and 10th Street is assumed to be oriented in an east-west direction.

10th Street/Orchard Drive Intersection and Crosswalk Improvements: To accommodate the realignment of 10th Street and to improve intersection safety, the curb returns and driveway at Gilroy High School will be reconstructed. Minor improvements to the High School driveway/parking lot entrance are proposed to match grade and connect the sidewalks.

10th Street/Uvas Park Drive Roundabout: A roundabout would be constructed at the intersection of 10th Street and Uvas Park Drive.

10th Street Improvements: Between De Anza Place on the west and Orchard Drive on the east, improvements to 10th Street would be constructed as needed. These improvements would consist of sidewalks, bikeways, crosswalks, restriping, signing, curb-and-gutter, storm drain, lighting, and repaving.

Construction Phasing

To accommodate winter flows in Uvas Creek, the proposed project work activities would be built in two construction stages (Stage 1 and Stage 2) between April 15 and December 31. Prior to these construction stages for the bridge work, site preparations for this work would be completed including but not limited to tree removal, grading of access roads, and creation of work pads outside the creek/levee.

Stage 1 Bridge Construction: This would include construction of the 10th Street Bridge foundation systems, which would be built outside of the active flow channel of Uvas Creek. This stage also includes construction of any temporary foundations to support temporary falsework supports, desired by the contractor, to build the overhead bridge superstructures in Stage 2. In this stage, approximately 32 abutment piles, and 6 intermediate support columns (all piles constructed to a depth of approximately 40 feet below ground surface) for the larger 10th Street Bridge would be completed by December 31.

In the case of the much smaller Breezeway Bridge, which is located outside the riparian corridor, it is anticipated that only the deep piles would be installed in Stage 1. The abutments and wing walls may not be constructed in Stage 1 because these components could limit access for construction of the 10th Street Bridge. See discussion in Stage 2 for more information. Stage 1 construction would also include installation of underground piles for the Breezeway Bridge, which would include 16 piles at a depth of approximately 40 feet below ground surface.

Stage 1 Roadway and Levee Construction: In addition to the bridge construction undertaken in Stage 1, roadway and drainage work will likely be constructed. Because the project requires a fair amount of import borrow to build the approach embankments, design engineers anticipate the Contractor could time construction of the 10th Street project to coincide with other projects that same Contractor may be undertaking elsewhere which are generating “excess material”. This approach could benefit the

Contractor by allowing them to enjoy efficiency thereby making them the “low-bidder”, but the availability of the material may control their project approach and schedule regarding “how much roadwork” they build in Stage 1.

Because the clayey material over-excavated from the subgrade for the roadway conforms will be used in the reconstructed levees, engineers anticipate the levee construction occurs coincident with the construction of the roadway conforms. This could be either Stage 1 or Stage 2.

Stage 2 Bridge Construction: This would include the construction of the approximately 315-foot-long 10th Street Bridge. This stage would start with the placement of temporary supports (falsework). The center portion of this falsework would span the Uvas Creek active flow channel and could be supported on piles constructed in Stage 1. The falsework would include minor earthwork to create level dirt pads to support this falsework system. Falsework placed adjacent to the 25-year flood event zone would be required for approximately eight months (between April 15 to December 31) and would be installed during the dry season. All falsework and leveling pads would be removed, and the temporary piles would be cut off below grade by December 31. No work would occur during rain events and no pile driving would occur after October 31. Erosion control measures would be installed at the end of the dry season and additional measures would be employed 24 hours prior to a forecasted rain event.

After the superstructure of the 10th Street Bridge is constructed, construction of the Breezeway Bridge would begin and continue through winter months using appropriate erosion and sediment control BMPs. The bridge would be built on top of the piles already constructed in Stage 1.

Stage 2 Roadway/Levee Construction: Outside the footprint of the bridges, construction will continue on the partially completed roadway, trail and drainage improvements which were begun in Stage 1. Because the bridge construction will require a fair amount of laydown room, and because the Contractor will likely want to use the unpaved roadway. trail approaches for staging materials and equipment, engineers anticipate the paving will occur late in the project.

At the time this “Project Description” was prepared, engineers anticipated that the Contractor will be able to work double-shifts or perhaps ‘round the clock during key operation for the bridge work in order to provide enough “cure time” for the various concrete pours. Up to 3 months of “cure” time could be required within the April 15 to December 31 work windows over the creek. Engineers anticipate that progress on the bridge work will affect the roadway work because the Contractor may not want to complete the approach roadways until after the bridges are complete in order to protect the finished work. Should restrictions be placed on construction methods which limit work hours, nighttime construction lighting, noise, or other factors which control the Contractor’s progress, the final roadwork may have to occur after December 31, as weather permits.

Traffic and Construction Detours

Since the proposed 10th Street and Breezeway Bridges are located away from active roadways, the Project does not anticipate the need for construction detours for construction of the vehicular and pedestrian/cyclist bridges. The bridge and levee modification would be constructed before the elevated roadway approaches and roundabout are built.

Roadwork necessary for the construction of the approach fills and roundabout would require Uvas Park Drive to be temporarily closed at Miller Street and 10th Street to be closed at Orchard Drive for approximately 12 months.

Due to potential hazards to pedestrians from construction activities, the Uvas Creek Levee Trails on both sides of Uvas Creek would be temporarily closed until the bridges are substantially complete. It is anticipated that the trail closure would coincide with Stage 2 Bridge Construction and be approximately six months, but the closure could be longer, depending on the amount of work the Contractor completes in Stage 1. It could be that the partially constructed project is not available for public use, and in the interest of safety (and to provide significant cost savings) the trail closures would remain in place through all of Stage 1 and Stage 2.

Construction Access and Laydown Areas

Bridge construction would require the use of large heavy equipment and large amounts of construction material that would require the use of large laydown areas for construction staging.

Uvas Park Drive Parking Area: The temporary event parking area between Uvas Park Drive and the Valley Water levee that was formally used when the annual Gilroy Garlic Festival was held at Christmas Hill Park would be utilized as a construction access and laydown area for the Project. It is anticipated that this staging area would be needed for approximately 30 months.

On the west side of the creek, engineers envision construction access is from the following points:

Christmas Hill Park: Construction access would be required through Christmas Hill Park, for construction of the bridge foundations, support columns, and erection of falsework for the construction of the bridge structure. It is anticipated that a portion of Christmas Hill Park south of the amphitheater would be temporarily closed for approximately 18 months to provide construction access.

“Old Road” on west side of 10th St, north De Anza Place: To provide a route for the delivery of “smaller things”, construction access will be provided from the existing “stub” of 10th Street, descending down the old existing asphalt road on the west side of 10th St.

To provide overhead clearance, engineers envision trees will need to be trimmed and perhaps the old roadway resurfaced. While this access is not likely feasible for large trucks and trailers, it provides an efficient route for smaller equipment along with material and personnel from the 10th Street corridor

Paved Trail: Intersection of De Anza Place / Lopez Way: Constructed as part of the Glen Loma Development, a paved trail now exists at the intersection of De Anza Place / Lopez Way, descending from the retention basin to the west bank of Uvas Creek. Engineers envision that this trail could be reconfigured to accommodate construction traffic should it be needed. At the end of the project, the trail may need to be repaved / repaired to restore it to pre-construction condition.

TASK 1: SCOPING

David J. Powers & Associates (DJP&A) will attend up to two project team meetings and two site visits to provide the design team with information regarding environmental issues and constraints.

TASK 2: NEPA COMPLIANCE

Since the project will utilize federal funds, compliance with the National Environmental Policy Act (NEPA) and related federal statutes will be required. DJP&A will undertake the required studies, following the Caltrans Office of Local Assistance procedures and utilizing the formats published on the Caltrans Standard Environmental Reference (SER) website.

DJP&A will complete Preliminary Environmental Study (PES) forms and attachments and attend the Caltrans field review meeting. Following the field review, Caltrans will determine the level of environmental review necessary, and the technical studies required to be prepared. This scope assumes the project will qualify for a Categorical Exclusion (CE) under NEPA and the following technical studies and memos will be required. All of the following technical studies and memos will be prepared by DJP&A or a subconsultant under contract to DJP&A, except for the Location Hydraulic Study, which will be prepared by the project engineer and provided to DJP&A.

- Air Quality and Greenhouse Gas Assessment
- Noise Study Report
- Archaeological Resources Report
- Historic Properties Survey Report
- Natural Environment Study
- Biological Assessment
- Traffic Memo
- Location Hydraulic Study
- Initial Site Assessment
- Visual Impact Assessment (Minor)

- Equipment Staging Memo
- Water Quality Memo
- Right-of-Way/Community Impacts Memo
- Section 4(f) Concurrence Letter

The scopes for the studies to be prepared by DJP&A or our subconsultants are described below.

Task 2a: Air Quality and Greenhouse Gas Assessment

This task will be undertaken by Illingworth & Rodkin (I&R), a subconsultant of DJP&A that specializes in air quality analyses that comply with Caltrans standards. The air quality and greenhouse gas assessment will include the following components:

Setting - Develop baseline conditions that describe meteorology/climate of the project area, existing air quality conditions, federal, state and local air quality rules and regulations, and approved air quality plans. Air pollutants and their effect on human health will also be described.

Construction Air Quality Impacts - A construction emissions assessment will be conducted for all elements of the project, including the bicycle and pedestrian portions. Construction emissions will be quantified using the Sacramento AQMD Road Construction Emissions Model (Version 8.1.0) and will include analysis of construction-period GHG emissions (CO₂, CH₄, N₂O, and CO_{2e}). Mitigation and minimization methods will be discussed to reduce the project's emissions.

Regional Air Quality Impacts - Identify SIP conformity requirements for the project and develop conformity language suitable for the air quality analysis. This will include consultation with MTC, Santa Clara Valley Transportation Authority, and Caltrans regarding project inclusion in the latest transportation plans and programs.

CO Hot Spot Analysis - A qualitative discussion will be included to address CO since the project has now been designated attainment by U.S. EPA.

Assess Project Air Pollutant and GHG Emissions - Use CT-EMFAC along with traffic data to predict daily air pollutant and annual GHG emissions. Project and no project emissions will be computed and evaluated based on current State and local guidance. The effect of transportation control measures in reducing project emissions will be described. Note that special traffic inputs are required, and Caltrans should be consulted to confirm these inputs.

Mobile Source Air Toxics - Use the FHWA guidance procedures to address MSAT emissions from the project. This task will involve the computation of MSAT emissions using the latest version of the CT-EMFAC model.

PM2.5 Analysis - PM2.5 will be analyzed based on the latest FHWA Guidance. A determination of the project's designation as to whether it will be considered a project of air quality concern (POAQC) or not will be completed through consultation with statewide Air Quality task force. If the project is found not to be a POAQC, then a qualitative analysis will be conducted following the guidance outlined in the FHWA PM2.5/PM10 Guidance.

Health Risk Assessment - Use construction and roadway toxic air contaminant and PM2.5 emissions with the U.S. EPA AERMOD model to assess local health risk impacts per BAAQMD guidance in their CEQA Air Quality Guidelines.

Deliverables - An air quality technical report will be prepared using Caltrans format and will address the FHWA/Caltrans requirements.

Task 2b: Noise Study Report

A traffic noise study will be conducted in accordance with the Traffic Noise Analysis Protocol developed by Caltrans. The protocol requires identification of noise impacts at different types of activity areas affected by the project. The noise study will address both the State and Federal noise abatement criteria. This task will be undertaken by Illingworth & Rodkin (I&R), a subconsultant of DJP&A that specializes in noise analyses that comply with Caltrans standards. The noise study report includes the following components:

Existing Ambient Noise Environment - Ambient noise measurements were completed in April 2017 along the project corridor. These measurements included two long-term and six short-term measurements. On the east side of Uvas Creek, no major construction projects have been completed since 2017 that will cause a substantial increase in noise levels. To the west of the creek, residential construction, which was on-going at the time of the measurements in 2017 has continued; however, 10th Street does not yet extend to Santa Teresa Boulevard. Therefore, only local traffic accessing the residential development would be expected. Considering construction vehicles were the main noise source in 2017, the traffic noise will not be substantially different. New noise measurements will not be necessary.

Model Noise Levels - FHWA's TNM will be used to predict noise levels with and without the project. Traffic noise modeling will be conducted in accordance with the Caltrans recommended procedures.¹ The previously developed models will be updated to reflect the updated project plans and traffic conditions. These updated future model will be used to predict future noise levels.

Noise Barrier Analysis - Where noise impacts are identified, noise abatement will be considered for feasibility and reasonableness per Caltrans Noise Policy. A feasible noise barrier would achieve a minimum 5 dBA of noise reduction. A noise barrier must also provide a minimum 7 dBA of noise reduction at one receptor to meet the reasonableness design goal. Reasonableness of noise abatement/mitigation measures is not determined in the NSR; however, information that would assist the Project Engineer in determining

reasonableness would be provided. The reasonableness cost allowance of feasible noise barriers will be calculated based on procedures outlined in the Caltrans Traffic Noise Analysis Protocol.

Construction Noise and Vibration - Noise and vibration levels at nearby sensitive land uses will be calculated for each phase of construction. Construction noise will be predicted using methods outlined in the Protocol that utilize the Roadway Construction Noise Model (RCNM). Construction vibration levels would be calculated based on published data. The calculations would depend on the availability of construction plans and schedules.

Hydroacoustic Assessment - If determined to be necessary, a hydroacoustic assessment will be prepared by I&R to assess impacts to fish species in Uvas Creek potentially impacted by noise. Preparation of the hydroacoustic analysis includes quantifying existing hydroacoustic levels in the project area and predicting sound levels that would be generated in the water during pile driving.

Deliverables - A Noise Study Report, in Caltrans format, would be prepared and submitted to local agencies and Caltrans.

Task 2c: Cultural Resources Studies

Archaeological Survey Report (ASR)

This task will be undertaken by Albion Environmental, Inc., a subconsultant of DJP&A that specializes in cultural resource assessment that comply with Caltrans standards and Section 106 of the National Historic Preservation Act.

Area of Potential Effect (APE) Map - Albion will work with the City of Gilroy, Caltrans, and David J. Powers & Associates to define archaeological and architectural APEs for the project. David J. Powers will submit draft APE maps to Caltrans for approval prior to the initiation of the archaeological survey.

Archival Research - A record search will be requested from the Northwest Information Center, Sonoma State University, Rohnert Park, to include the APE and a 1/2-mile radius around it. Albion will also gather archival maps of the area and consult historic aerial photography archived by the library at the University of California to locate any structures or other features on the landscape within the APE. Additionally, environmental factors such as surface slope, distance to known perennial water sources, and the distance to perennial stream confluences, combined with relevant data from soil surveys and Quaternary geology maps to estimate the age and extent of the deposits exposed at the surface within the APE, and provide guidance for determining the general sensitivity for buried archaeological sites to exist within the APE.

Native American Consultation - A working relationship with the Native American community and individual Tribal representatives is essential to the success of the cultural resource inventory effort, and ultimately project success. As part of this project, the Tribes and individuals identified by the NAHC will be contacted by Albion to inform them about the Project, ascertain Tribal interests and information, and open dialog to elicit and consider their concerns about the treatment of precolonial archaeological materials, particularly ancestral remains and grave goods.

Archaeological Survey - An on-foot archaeological survey of the project area will be undertaken. All open areas (not covered by asphalt and concrete) will be inspected for such cultural evidence as historic artifacts and features and prehistoric indicators like midden soil, flaked lithics, groundstone, and shell. Any necessary standard DPR 523 forms (Primary Record and Archaeological Site Record) will be completed. The ASR will be submitted to Caltrans for review, and revisions will be made as necessary.

Deliverables - Draft and Final ASRs. An ASR for submission by the City of Gilroy to Caltrans will be prepared following the guidelines in the Caltrans SER, Volume 2, Exhibit 5.1. It will include a summary of the records search results, Native American consultations, brief historic and ethnographic background sections, description of field methodology, results of the survey, and necessary maps. It will also include any site records prepared for the project area.

Historic Properties Survey Report (HPSR)

The HPSR is a summary report that includes the final draft of the APE map, discusses documentation efforts, the findings of the ASR (and, if necessary, an Extended Phase I ASR), and summarizes the National Register eligibility conclusions for cultural resources. The document also provides evidence of coordination with Native American groups, local government, and other interested persons and organizations, and requests the concurrence of the State Office of Historic Preservation if needed. The final draft of the ASR will be attached as an appendix. The HPSR and appendices will be submitted to Caltrans PQS for review and revisions will be made as necessary.

Deliverables - Draft and Final HPSRs and appendices for submission to Caltrans will be prepared, following the guidelines in the Caltrans SER, Volume 2, Exhibit 2.6.

AB 52 Consultation

Notice Letters - After obtaining a list of Native American stakeholders from the City, Albion will draft the formal AB 52 Notice Letters and send them to the City; the City will mail the letters on official City letterhead. This Notice to Tribes will include a brief project description, a map of the project location, lead agency contact information, and a statement that the Tribe has 30 days to request consultation. It is best practice to follow up Formal Consultation Notices with emails and phone calls. At the City's request, Albion will follow up with the Tribes via email and/or phone.

Consultation Meetings - Within 30 days of receiving a Tribe's written request for consultation, Albion will assist the City in the consultation process. As part of the consultation process, Tribes may request meetings to discuss Tribal Cultural Resources, project alternatives, significant effects, and the development of mitigation measures to avoid or mitigate a significant effect. Albion will facilitate these meetings, documenting the discussions between the City and the Tribes.

Deliverables - After consultation ends, Albion will prepare a report documenting all communications with the Tribes, discussing if any potential Tribal Cultural Resources were identified during the consultation process, documenting any additional concerns that the Tribal members may have with regards to the proposed work, and documenting any measures developed to avoid or mitigate a significant effect on a TCR to be included in the environmental document. The report will follow AB 52 requirements and ensure that any confidential information submitted by a California Native American Tribe during the consultation process will not be included in the publicly available environmental document or otherwise disclosed.

Task 2d: Biological Resources Studies

This task will be undertaken by H.T. Harvey & Associates (HTH), a subconsultant of DJP&A that specializes in biological resource assessments that comply with Caltrans standards and the Endangered Species Act.

Natural Environment Study (NES)

HTH will prepare an NES per Caltrans Office of Local Assistance procedures and the latest template (currently dated June 2020) on the Caltrans Standard Environmental Reference (SER) website. NES preparation will involve the following tasks:

Background Review – HTH ecologists will review the most recent project plans, biological reports prepared for other projects in the project vicinity, the Santa Clara Valley Habitat Plan, and additional sources of information for any updates on applicable regulations, special-status species listing designations, or occurrences of special-status species in the project vicinity. These sources may include U.S. Geological Survey quadrangle maps, U.S. Fish and Wildlife Service (USFWS) National Wetland Inventory Maps, the California Natural Diversity Database (CNDDB), other technical literature related to the biotic resources of the project vicinity, regional planning documents (such as General Plan policies), species data compiled by the California Native Plant Society (CNPS) or other public interest groups, and resource agency data.

Field Surveys - A plant/wetlands ecologist and a wildlife ecologist will conduct a single reconnaissance-level field survey of the project site to put into context the information generated in during the Background Review; to identify any changes in existing biological resources conditions that have occurred since our previous site visits in May 2017; and to assess and map biological resources in any limited portions of the project area that

were not covered previously. These ecologists will describe and map any changes in biotic communities/land cover types, boundaries of potentially sensitive or regulated habitats, or habitat for or evidence of special-status species that have occurred since their previous work on the project site or that need to be added to our previous work based on slight changes in the extent of the project. The habitat mapping will be adequate to identify the boundaries of any land cover types for CEQA/NEPA assessment and VHP permitting. During the field visit, the wildlife ecologist will conduct habitat surveys for the least Bell's vireo and tricolored blackbird per VHP Conditions 16 and 17, respectively. Per VHP requirements, these surveys will cover the project area plus a 250-foot radius around the project area. The 2017 field surveys determined that no suitable breeding habitat for these species was present in or adjacent to the project area, but these habitat surveys will be updated to ensure that the VHP application is based on current data. No other species-specific surveys are proposed at this time.

Prepare NES - The data collected during our background review and field surveys will be used as the basis for preparing an NES per current Caltrans guidelines. Graphics will be produced to portray the site vicinity, habitat types, CNDDDB records for special-status species, impact areas, and, if appropriate, proposed mitigation sites.

Deliverables - The NES will be submitted for review and comment. This task also includes time to respond to comments from Caltrans, assuming the comments do not require major revisions.

Biological Assessment

Although the project will be covered by the VHP, federally listed species regulated by NMFS are not covered by the VHP. We understand that NMFS, USACE, and the Santa Clara Valley Habitat Agency (SCVHA) are working on a Programmatic Biological Opinion (PBO) that would provide FESA Section 7 incidental take coverage for VHP-covered projects that meet certain criteria. However, that PBO has not yet been finalized, and some FESA Section 7 consultation between Caltrans (acting as the lead federal agency, on behalf of the Federal Highway Administration) and the USFWS and NMFS will be necessary for the project.

HTH will prepare two documents to facilitate FESA consultation for the project:

- A Biological Assessment (BA), in accordance with the latest Caltrans procedures and template, describing the project's impacts on the South-Central California Coast steelhead. This federally listed (threatened) species is known to occur in the reach of Uvas Creek where the project is located. Once finalized, the BA would be provided to NMFS by Caltrans to initiate formal consultation (if any take of steelhead will occur) or informal consultation (if avoidance and minimization measures are adequate to avoid take) with NMFS under Section 7 of FESA.
- A memo, following the template developed by the USFWS and SCVHA, documenting the project's potential impacts to USFWS-regulated, federally listed

species such as the California tiger salamander and California red-legged frog, and providing information on the project's compliance with the VHP. Once finalized, this memo would be provided by the City of Gilroy to the SCVHA and the USFWS.

Deliverables - These documents will be submitted to the City of Gilroy and Caltrans for review and comment.

Valley Habitat Plan Permit Application

HTH will prepare all documents required to obtain a VHP permit. All field surveys required by the VHP to inform the permit application will be completed as described above. Using this information, the following application materials will be prepared:

- Coverage Screening Form
- Reporting Form for Public Projects, including fee calculations and all required attachments

Deliverables - These permit application materials will be submitted to the City of Gilroy for review and comment.

Task 2e: Initial Site Assessment (ISA)

This task will be undertaken by Cornerstone Earth Group, a subconsultant of DJP&A that specializes in Initial Site Assessments that comply with Caltrans standards.

Regulatory Agency Database Review - Cornerstone will acquire a report from a firm specializing in the search of readily available environmental agency databases to help establish the presence and type of contamination incidents reported in the site vicinity. The database search report will follow general ASTM E 1527-13 requirements. Cornerstone will review the results of this database search and attempt to identify those facilities that appear likely to have significantly impacted the site based on inferred groundwater flow direction and proximity.

Agency File Review - To obtain commonly known and reasonably ascertainable information on on-site hazardous materials releases readily identified as being open cases under the County Local Oversight Program (LOP) and/or identified as being open cases on the Geotraker and/or Envirostor databases, readily available files will be reviewed online.

Site History Review - To help develop a history of the previous uses of the site and adjacent area, the study will include a review of the following sources, if they are readily available:

- Aerial photographs
- Topographic maps
- City directories
- Sanborn fire insurance maps

ISA Checklist Form - Cornerstone will complete the standard Caltrans ISA Hazardous Waste Checklist.

Site Hydrogeology - Based on readily available public information (California 's Geo Tracker database and USGS topographic maps) and our local experience, we will prepare a brief summary of anticipated site hydrogeology, including approximate depth to ground water and flow direction. This information is useful in evaluating the potential for nearby hazardous material releases, if any, to significantly affect site ground water quality.

Site Reconnaissance - If reasonably safe, Cornerstone will make one site visit to observe existing conditions from public right-of-way and note readily observable indicators of past or present activities that may have or could, in their opinion, cause significant site contamination. In addition, Cornerstone will collect readily available information on current site usage. Cornerstone will also conduct a brief drive-by survey of the adjacent properties to note the current land use and, to the extent readily observable, note facilities that appear likely to use, handle or store significant quantities of hazardous materials. This reconnaissance will only be made from public roadways.

Deliverable - Cornerstone will prepare an ISA for the site presenting the results of the study, our conclusions, and recommendations. The report will include a vicinity map, site plan, and selected copies of the records obtained and reviewed. The conclusions and recommendations presented in the report will be based on our interpretation of the readily available information reviewed and the conditions observed. Cornerstone will summarize the recognized environmental conditions, if any, derived from the readily observed site conditions and reasonable ascertainable information. Cornerstone will attempt to identify and comment on significant data gaps that affect the ability to identify recognized environmental conditions.

Task 2f: Visual Impact Analysis (Minor)

This task will be undertaken by Alta Planning + Design, a subconsultant of DJP&A that specializes in visual impact analyses that comply with Caltrans standards.

Visual Impact Analysis - Alta will prepare a Visual Impact Analysis (VIA) following the Caltrans Minor VIA template. The VIA will include discussion and analysis of two key views of the proposed project. Alta will develop up to two (2) photo simulations, one for each key view. The photo simulations will be based on the project description and engineering plans.

Deliverables – The VIA will be submitted to the City of Gilroy and Caltrans for review and comment.

Task 2g: Equipment Staging Memo

DJP&A will prepare a short memo describing the location(s) where equipment and materials will be staged during the construction phase of the project. The location(s) for staging will be provided to DJP&A by the design team or the City.

Task 2h: Water Quality Memo

DJP&A will prepare a short memo describing the measures to be implemented by the project in compliance with current regulations to prevent or reduce water quality impacts during construction and operation. This information will be provided to DJP&A by the design team or the City.

Task 2i: Traffic Memo

DJP&A will prepare a short memo describing the traffic handling and staging plan to be implemented during project construction. This information will be provided to DJP&A by the design team or the City.

Task 2j: Right-of-Way/Community Impacts Memo

DJP&A will prepare a short memo describing the permanent and temporary right-of-way impacts of the proposed project. The project is currently expected to require a construction access easement through existing private open space located at APN 808-19-020 (Private Open Space). The memo will also describe any impacts to the community, but such impacts are anticipated to be minimal given the nature of the project.

Task 2k: Section 4(f) Concurrence Letter

DJP&A will assist the City in complying with the Section 4(f) process, a federal requirement that applies to transportation projects that use land from a public park. This scope assumes that the project will require a construction easement from through Christmas Hill Park and temporary closure of the Uvas Creek Trail, which would trigger the 4(f) process. It is assumed that the impact on the Park would be both minor and temporary under Section 4(f) and, therefore, Caltrans will require only a “letter of concurrence” from the City of Gilroy Recreation Division to this effect. DJP&A will undertake the coordination needed for this process and, if requested, will assist the City by drafting a letter on behalf of the Recreation Division.

Task 2I: Caltrans Environmental Compliance Report

Prior to the issuance of a CE under NEPA, Caltrans requires that an Environmental Compliance Report (ECR) be prepared. DJP&A will prepare the ECR on behalf of Caltrans and transmit the ECR to Caltrans.

TASK 3: INITIAL STUDY/MITIGATED NEGATIVE DECLARATION

Task 3a: Initial Study/Mitigated Negative Declaration

DJP&A will prepare an Initial Study/Mitigated Negative Declaration (IS/MND) in compliance with the California Environmental Quality Act (CEQA). The IS/MND will utilize the format required by the City at the time it is prepared. DJP&A will respond to comments received by the City upon completion of the circulation of the Initial Study and will attend one meeting before the Gilroy Planning Commission and one meeting before the Gilroy City Council. DJP&A will also prepare the Mitigation Monitoring and Reporting Program.

This scope assumes the technical studies and memos prepared to complete the NEPA analysis will be used to complete the CEQA analysis. No additional studies will be prepared for the CEQA analysis, except for the transportation and traffic operations analysis described below.

Task 3b: Transportation and Traffic Operations Analysis

This task will be undertaken by Hexagon Transportation Consultants, a subconsultant of DJP&A with an office in Gilroy that specializes in preparing transportation analyses.

Vehicle Miles Travelled (VMT) Analysis

Historically, traffic impact analysis has focused on the identification of traffic impacts and potential roadway improvements based on delays to relieve traffic congestion that may result due to proposed/planned growth. However, with the adoption of SB 743 legislation, public agencies are required (effective July 2020) to base transportation impacts on VMT rather than level of service that typically uses delay as its metric. The change in measurement is intended to better evaluate the effects on the state's goals for climate change and multi-modal transportation. Therefore, a VMT evaluation is included as part of this proposed scope.

The CEQA transportation analysis for the project will consist of both a project-level and General Plan VMT analysis using the City's TDF model. The transportation analysis will be based on City of Gilroy transportation policies and supplemented with guidelines and recommendations from the Governor's Office of Planning and Research (OPR) Technical Advisory on Evaluating Transportation Impacts in CEQA, December 2018.

VMT Evaluation - Per OPR's guidance for the evaluation of transportation improvement projects, the VMT evaluation will consider the effect of the proposed Tenth Street extension and bridge project on all major roadways within a general sphere of influence. Hexagon will use the City's TDF model developed for the recently completed 2040 General Plan Updated study to develop existing (baseline) VMT and the change in VMT with the proposed project. Per OPR's recommendations for the evaluation of transportation improvement projects, the determination of significant VMT impact will be based on the extent to which the project causes a significant increase in VMT on the affected roadways.

Description of CEQA Impacts and Recommendations – If the results of the VMT evaluation determine that the project would increase VMT, recommendations will be formulated that identify the locations and potential improvements or modifications necessary to mitigate impacts. Mitigation could include improvements to the transit, bicycle, and pedestrian infrastructure.

Local Transportation Analysis

The traffic operations analysis will consist of a near-term and long-term (General Plan) evaluation of the effects of the roadway network adjustments that are proposed as part of the Tenth Street Extension project on other surrounding roadways and intersections that would be most affected by the project. The supplemental operations analysis will include level of service analysis at a limited number of intersections. However, the determination of project impacts per CEQA requirements will be based solely on VMT metrics. Peak hour operations at existing intersections along the Tenth Street corridor between Uvas Parkway and Princevalle Street as well as the future intersections/roundabout along Tenth Street will be evaluated. Average daily traffic (ADT) will be used to evaluate the effects of the new roadway extension on surrounding roadways. This proposal includes analysis of the following ten existing/future intersections and 14 roadway segments:

Study Intersections

1. Miller Avenue and Luchessa Avenue
2. Miller Avenue and Uvas Park Drive
3. Orchard Drive and Tenth Street
4. Valley Forge Drive and Tenth Street
5. Princevalle Street and Tenth Street
6. Tenth Street/Miller Avenue and Santa Teresa Boulevard
7. Uvas Parkway and Tenth Street
8. De Anza Street and Tenth Street
9. Charles Lux Drive and Tenth Street
10. Luchessa Avenue and Tenth Street

Study Roadway Segments

1. Tenth Street, between Church Street and Monterey Road
2. Tenth Street, between Hanna Street and Glenview Drive
3. Tenth Street, between Valley Forge Drive and Princevalle Street
4. Uvas Parkway, between Tenth Street and Miller Avenue
5. Uvas Park Drive, between Miller Avenue and Wren Avenue
6. Miller Avenue, between Christmas Park and Luchessa Avenue
7. Miller Avenue, between Luchessa Avenue and Santa Teresa Boulevard
8. Miller Avenue, between Yorktown Drive and Uvas Parkway
9. Luchessa Avenue, between Hyde Park Drive and Church Street
10. Luchessa Avenue, between Princevalle Street and Thomas Road
11. Luchessa Avenue, between Thomas Road and Village Place
12. Santa Teresa Boulevard, between Miller Avenue and Thomas Road
13. Thomas Road, between Luchessa Avenue and Oak Brook Way
14. Santa Teresa Boulevard, between Ballybunion Drive and Miller Avenue

Scenarios to be Evaluated - The study intersections and roadway segments will be evaluated under the following scenarios:

Existing Conditions: Traffic volumes representing Year 2021 traffic conditions. New peak hour intersection traffic counts will be completed at each of the existing study intersections along with 24-hour directional counts along the roadway segments.

Year 2040 General Plan No Project Conditions: General Plan forecasted traffic volumes and planned transportation network improvements, as evaluated in the 2040 General Plan Update traffic study, without the Tenth Street extension and bridge project.

Year 2040 General Plan Project Conditions: General Plan forecasted traffic volumes and planned transportation network improvements, as evaluated in the 2040 General Plan Update traffic study, including the Tenth Street extension and bridge project.

Construction Roadway Closures - The project may require the temporary closure of Uvas Parkway between Miller Avenue and 10th Street during construction. A qualitative evaluation of the effect of the temporary construction roadway closures will be completed. The evaluation will consist of the identification of changes in traffic patterns due to the roadway closures and locations where temporary traffic control/roadway adjustment may be necessary. The effects of construction activities near the High School drop-off/pick-up also will be qualitatively evaluated.

Deliverables - Hexagon will prepare a transportation analysis report that documents the project improvement assumptions, analysis methodologies, and findings.

TASK 4: NOTICES

DJP&A will prepare the Notice of Intent to adopt a Mitigated Negative Declaration and Notice of Completion (NOC) and OPR summary form for submission of the IS/MND to the State Clearinghouse.

Assumptions

The following assumptions were made in preparation of this scope of work:

- The City of Gilroy will be the CEQA Lead Agency.
- The City will undertake mailings, prepare public/newspaper notices.
- The City will file the Notice of Intent at the County Clerk and pay the filing fee.
- The City will prepare and file the CEQA Notice of Determination at the State Clearinghouse and County Clerk.
- The City will pay the Notice of Determination filing fee to the County Clerk.
- If indications of cultural resources are found during preparation of the ASR, Caltrans may require subsurface testing and preparation of an Extended Phase I Archaeological Survey Report (XPI). This scope does not include preparation of an XPI.
- If project right-of-way takes occur on parcels containing structures, Caltrans may require preparation of an Historic Resources Evaluation Report (HRER) for structures older than 50 years on affected parcels. This scope does not include preparation of an HRER.
- This scope includes follow-up communication with up to ten (10) Tribes during the consultation process.
- This scope includes up to five (5) virtual tribal consultation meetings.
- The project falls within the Permit Area of the VHP and is considered a Covered Activity under the VHP which is defined as “a project conducted by, or is subject to the jurisdiction of, one of the Permittees” (which includes the City of Gilroy) and falls into the broader category of Urban Development.
- This scope does not include a detailed wetland delineation report adequate for project permitting or conducting a site visit with the U.S. Army Corps of Engineers (USACE) to obtain verification of jurisdictional boundaries.
- This scope does not include development of City-specific CEQA VMT impact thresholds.
- This scope does not include obtaining regulatory agency permits (e.g., RWQCB Section 401, USACE Section 404, and CDFW Section 1600 permits).
- This scope does not include preparation of habitat restoration plans.
- The project will not require permanent park ROW.
- This scope does not include a creek diversion analysis.
- A Location Hydraulic Study will be prepared by the project engineer.

Date of Latest Revision: July 8, 2022

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EXHIBIT “C”
MILESTONE SCHEDULE

N/A

EXHIBIT “D”
PAYMENT SCHEDULE

Attached.

10th Street/Uvas Creek Budget
David J. Powers & Associates, Inc.
Budget for NEPA and CEQA Compliance

Task	Senior Principal PM		Principal PM		Project Manager		Assoc. PM		Graphic Artist		Sub-Consultant	ODC's & Permit Fees	Total
	\$ 352	per hour	\$ 268	per hour	\$ 191	per hour	\$ 151	per hour	\$ 101	per hour			
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount			
NEPA Compliance													
Natural Environmental Study	1	\$ 352	1	\$ 268	6	\$ 1,148		\$ -		\$ -	\$ 32,735		\$ 34,504
Biological Assessment	1	\$ 352	1	\$ 268	4	\$ 765		\$ -		\$ -	\$ 16,693		\$ 18,079
Equipment Staging Memo	1	\$ 352	1	\$ 268	6	\$ 1,148		\$ -		\$ -			\$ 1,769
Air Quality and Greenhouse Gas Analysis	1	\$ 352	1	\$ 268	4	\$ 765		\$ -		\$ -	\$ 25,215		\$ 26,601
Archaeological Survey Report	1	\$ 352	1	\$ 268	4	\$ 765		\$ -		\$ -	\$ 12,780		\$ 14,166
Historic Properties Survey Report	1	\$ 352	1	\$ 268	4	\$ 765		\$ -		\$ -	\$ 5,281		\$ 6,667
Water Quality Memo	1	\$ 352	1	\$ 268	4	\$ 765	16	\$ 2,416		\$ -			\$ 3,802
Initial Site Assessment	1	\$ 352	1	\$ 268	8	\$ 1,530		\$ -		\$ -	\$ 4,860		\$ 7,011
Location Hydraulic Study	1	\$ 352	1	\$ 268	4	\$ 765		\$ -		\$ -			\$ 1,386
Right-of-Way/Community Memo	1	\$ 352	1	\$ 268	4	\$ 765	10	\$ 1,510		\$ -			\$ 2,896
Noise Study Report	1	\$ 352	1	\$ 268	4	\$ 765		\$ -		\$ -	\$ 24,579		\$ 25,965
Visual Impact Assessment (Minor)	1	\$ 352	1	\$ 268	4	\$ 765		\$ -		\$ -	\$ 21,014		\$ 22,400
Section 4(f) Concurrence Letter	1	\$ 352	1	\$ 268	8	\$ 1,530		\$ -		\$ -			\$ 2,151
Traffic Memo	1	\$ 352	1	\$ 268	8	\$ 1,530		\$ -		\$ -			\$ 2,151
Environmental Compliance Report	1	\$ 352	1	\$ 268	8	\$ 1,530		\$ -		\$ -			\$ 2,151
Preliminary Environmental Study	1	\$ 352	1	\$ 268	10	\$ 1,913	20	\$ 3,020		\$ -			\$ 5,554
NEPA CE	1	\$ 352	1	\$ 268	4	\$ 765		\$ -		\$ -			\$ 1,386
CEQA Compliance													
Project Description	1	\$ 352	1	\$ 268	4	\$ 765	4	\$ 604		\$ -			\$ 1,990
1st Admin Draft IS	1	\$ 352	4	\$ 1,074	20	\$ 3,826	30	\$ 4,530	20	\$ 2,014		\$ 150	\$ 11,946
2nd Admin Draft IS	1	\$ 352	1	\$ 268	10	\$ 1,913	8	\$ 1,208	4	\$ 403		\$ 50	\$ 4,195
Screencheck		\$ -	1	\$ 268	8	\$ 1,530	6	\$ 906	4	\$ 403		\$ 1,500	\$ 4,608
Response to Comments	1	\$ 352	1	\$ 268	10	\$ 1,913	4	\$ 604		\$ -		\$ 50	\$ 3,188
Native American Consultation		\$ -	1	\$ 268	2	\$ 383		\$ -		\$ -	\$ 6,168		\$ 6,819
Transportation Analysis	1	\$ 352	5	\$ 1,342	4	\$ 765		\$ -		\$ -	\$ 71,200		\$ 73,660
CEQA Notices		\$ -	1	\$ 268	4	\$ 765	12	\$ 1,812		\$ -			\$ 2,846
Permits													
VHP Reporting Form	1	\$ 352	4	\$ 1,074	4	\$ 765		\$ -		\$ -	\$ 11,208		\$ 13,399
Project Management													
Project Management	10	\$ 3,524	10	\$ 2,685	30	\$ 5,739	15				\$ 3,111		\$ 15,058
Meetings													
PDT Meetings (Assume 10)	20	\$ 7,047	20	\$ 5,369	40	\$ 7,652		\$ -		\$ -		\$ 100	\$ 20,168
Public/Community Mtgs	15	\$ 5,286	15	\$ 4,027	15	\$ 2,869		\$ -		\$ -		\$ 150	\$ 12,332
TOTALS	68	\$ 23,961	81	\$ 21,746	245	\$ 46,866	125	\$ 16,611	28	\$ 2,819	\$ 234,844	\$ 2,000	\$ 348,847
Optional Tasks													
Hydroacoustics Analysis		\$ -				\$ -		\$ -		\$ -	\$ 11,222		\$ 11,222
TOTALS WITH OPTIONAL TASKS	68	\$ 23,961	81	\$ 21,746	245	\$ 46,866	125	\$ 16,611	28	\$ 2,819	\$ 246,066	\$ 2,000	\$ 360,069

Date of Latest Revision: March 27, 2023

RESOLUTION NO. 2023-XX**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING THE BUDGET FOR THE CITY OF GILROY FOR 2022-2023 AND APPROPRIATING PROPOSED EXPENDITURE AMENDMENTS**

WHEREAS, the City Administrator prepared and submitted to the City Council a budget for the City of Gilroy for Fiscal Years 2021-2022 and 2022-2023, and the City Council carefully examined, considered, and adopted the same on June 7, 2021; and

WHEREAS, City Staff has prepared and submitted to the City Council proposed amendments to said budget for Fiscal Year 2022-2023 for the City of Gilroy in the staff report dated May 1, 2023, for the award of a contract to David J. Powers & Associates, Inc. for 10th Street Bridge environmental compliance services, project M 16-10.

NOW, THEREFORE, BE IT RESOLVED THAT the appropriations for Fiscal Year 2022-2023 for the Traffic Impact Fee Fund (fund 425) shall be increased by \$396,076.

PASSED AND ADOPTED this 1st day of May 2023 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title:	Emergency Shelters Zoning Amendment
Meeting Date:	May 1, 2023
From:	Jimmy Forbis, City Administrator
Department:	Community Development
Submitted By:	Sharon Goei, Community Development Director
Prepared By:	Cindy McCormick, Customer Service Manager

STRATEGIC PLAN GOALS

Promote Safe Affordable Housing for All

RECOMMENDATION

Staff has analyzed the proposed project and recommends that the City Council:

- a) Based on its independent analysis, find that approval of the Emergency Shelters Zoning Amendment is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Emergency Shelters Zoning Amendment would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies;
- b) Motion to read the ordinance by title only and waive further reading; and
- c) Introduce an Ordinance of the City Council of the City of Gilroy approving amendments to the Gilroy City Code, Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific Provisions—Emergency Shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10C (Residential Use Table) regarding Emergency Shelters (Z 23-03).

EXECUTIVE SUMMARY

Government Code Section 65583 requires that the housing element identify adequate sites for housing, including emergency shelters, and further regulates development standards for emergency shelters. Assembly Bill 2339 amends Sections 65583 and 65863 of the Government Code, adding specificity on how jurisdictions define and

regulate emergency shelters and plan for emergency shelters in their housing elements. The proposed amendment to Gilroy City Code sections 30.41.32, 30.2.20, and 30.11.10C would bring the Gilroy City Code into conformance with State law.

BACKGROUND

On January 27, 2023, the City of Gilroy received comments from the California Department of Housing and Community Development (HCD) regarding the draft Gilroy 2023-2031 Housing Element. Among other comments, HCD staff noted that the draft Housing Element could not be found in compliance with State law until the City's zoning regulations regarding emergency shelters are modified.

Existing City Code: The Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II. 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table) currently regulate emergency shelters within the city. Since adopting these regulations, State legislation has modified how cities and counties regulate emergency shelters.

Environmental Assessment: The City of Gilroy Planning Division has determined that there is no substantial evidence that the proposed Zoning Amendment ("Project") would have a significant effect on the environment, and therefore the Project is exempt from the California Environmental Quality Act ("CEQA"). Pursuant to CEQA Guidelines Section 15061(B)(3), the Project is exempt from CEQA under the common-sense exemption that CEQA applies only to projects which have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Planning Commission Review: On April 20, 2023, the Planning Commission considered the Draft Ordinance and recommended approval.

ANALYSIS

Chapter 654, Statutes of 2022 (AB 2339) was approved by the Governor and filed with the Secretary of State on September 28, 2022. AB 2339 amends Sections 65583 and 65863 of the Government Code; adding specificity on how jurisdictions regulate and plan for emergency shelters in their housing elements. AB 2339 expands the definition of "emergency shelters" to include other interim interventions, including but not limited to navigation centers, bridge housing, and respite or recuperative care. AB 2339 also requires jurisdictions to identify zoning designations including residential and mixed-use residential zones that allow emergency shelters as a permitted use without a conditional use or another discretionary permit.

Furthermore, pursuant to Government Code Section 65583, emergency shelters shall only be subject to the following written, objective standards:

- The maximum number of beds or persons permitted to be served nightly by the facility.
- Sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone.
- The size and location of exterior and interior onsite waiting and client intake areas.
- The provision of onsite management.
- The proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart.
- The length of stay.
- Lighting.
- Security during hours that the emergency shelter is in operation.

The following table provides a summary of the proposed amendments provided in the attached Ordinance.

Draft Ordinance Summary
On-Site Management and Security. This section was modified to remove the requirements for a management plan since the City no longer has discretionary approval through a conditional use permit. This section now requires on-site management and security during all hours the emergency shelter operates. The code did not previously require on-site security; however, a requirement for on-site security is permitted under State law.
Maximum Number of Beds. This section was modified to include more specificity, including information needed for a ministerial building permit application since the City can no longer require a conditional use permit.
Exterior and Interior Onsite Waiting and Client Intake Area. Subjective language such as “sufficient size” was removed from this section and replaced with provisions required under the California Building Code.
Parking. Parking requirements tied to the number of beds were removed since State law only allows the requirement of parking for staff. State caveats regarding consistency with parking for other residential or commercial uses within the same zone were also added.
Lighting. No changes were needed.
Length of Stay. This provision was carried over from the City’s current definition of an emergency shelter.

Proximity to Other Emergency Shelters. This new provision is allowed per State law.

Location. This new provision is needed to illustrate compliance with State law which requires identification of zoning designations that allow emergency shelters as permitted use without a conditional use or other discretionary permit.

Definitions (Section 30.2.20).

The definition of *Emergency shelter* was amended to include “other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care.”

A new definition for *Emergency bridge housing* was added pursuant to Gov. Code sec. 8698(e). It means “any new or existing facilities, including, but not limited to, housing in temporary structures, including, but not limited to, emergency sleeping cabins consistent with the requirements of subdivision (h) of Section 8698.3 that are reserved for homeless persons and families, together with community support facilities, including, but not limited to, showers and bathrooms adequate to serve the anticipated number of residents all of which may be located on property leased or owned by a political subdivision. An emergency bridge housing community shall include supportive and self-sufficiency development services, have the ultimate goal of moving homeless persons to permanent housing as quickly as reasonably possible, and limit rents and service fees to an ability-to-pay formula reasonably consistent with the United States Department of Housing and Urban Development’s requirements for subsidized housing for low-income persons.”

A new definition for *Navigation center* was added pursuant to Health and Safety Code sec. 50216. It means “Housing First, low-barrier, service-enriched shelter focused on moving homeless individuals and families into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.”

Residential Use Table (Section 30.11.10C). This section was amended to allow emergency shelters by right in the R4 zoning district. Since the City has not yet adopted a “First Street Corridor mixed use” zoning designation, this code section references the adopted General Plan Mixed Use land use designation.

The following staff analysis demonstrates that the amendment carries out the general purpose of the Zoning Ordinance and applicable General Plan goals and policies.

General Plan Consistency: The proposed project is consistent with: 1) the Gilroy 2040 General Plan Land Use Goal LU 3 to provide a variety of housing types that offer choices for Gilroy residents and create complete, livable neighborhoods; 2) the Gilroy 2015-2023 Housing Element Goal H-1 (Housing Production) to provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types; and 3) Gilroy 2015-2023 Housing Element

Goal H-2 (Affordable Housing) to encourage and support the provision of affordable housing in Gilroy.

Zoning Ordinance Purpose: The Zoning Ordinance is the primary tool by which the City implements the policies of the General Plan. The Zoning Ordinance is, among other purposes, intended to guide and regulate each development in accordance with the General Plan and the objectives and standards set forth therein. The City's performance standards and specific provisions regarding emergency shelters were written to ensure that emergency shelters are operated in a manner that appropriately address the needs of homeless individuals and families, consistent with the requirements of Government Code Section 65583.

Zoning Text Amendment Review: The attached draft Ordinance includes findings demonstrating that the amendment is necessary to carry out the general purpose of the Zoning Ordinance and applicable General Plan goals and policies. Pursuant to Section 30.52.60, the City Council may approve, modify, or disapprove a proposed ordinance amendment. The action by the City Council shall be final and conclusive.

ALTERNATIVES

Staff recommends that the City Council approve the draft changes to City Code. Alternatively, the City Council can deny the zoning amendment or recommend modifications to the Ordinance. However, this is not recommended since the City would remain out of compliance with State law.

FISCAL IMPACT/FUNDING SOURCE

Staff time and resources required to adopt new zoning regulations to implement State requirements are typically funded under the Department's operational budget and through the City's General Fund. No other funding resources are necessary at this time.

PUBLIC OUTREACH

A notice of the May 1, 2023 City Council Regular Meeting was advertised in The Gilroy Dispatch on Friday, April 21, 2023, meeting the requirement of having the public hearing advertised at least ten days before the meeting. The City Council Public Hearing Packets are available through the City's webpage. No public comments on the proposed amendment have been received as of the writing of this staff report.

NEXT STEPS

If approved by the Council, the Ordinance would take effect 30 days following the second reading of the Ordinance, which is tentatively scheduled for May 15, 2023. The effective date of the Ordinance would occur before the end of HCD's 60-day review period following the resubmittal of the Gilroy 2023-2031 Housing Element.

Attachments:

1. Draft Ordinance

ORDINANCE NO. 2023-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GILROY AMENDING THE GILROY CITY CODE, CHAPTER 30 (ZONING), ARTICLE XLI SECTION 30.41.32 (SPECIFIC PROVISIONS—EMERGENCY SHELTERS), ARTICLE II SECTION 30.2.20 (DEFINITIONS), AND ARTICLE XI SECTION 30.11.10(C) (RESIDENTIAL USE TABLE) REGARDING EMERGENCY SHELTERS

WHEREAS, the Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table) currently regulate emergency shelters within the city; and

WHEREAS, State Planning and Zoning Law requires the City of Gilroy to adopt a comprehensive, long-term general plan for the physical development of the city that includes a housing element; and

WHEREAS, State law requires that the housing element identify adequate sites for housing, including emergency shelters; and

WHEREAS, Assembly Bill No. 2339, CHAPTER 654 was approved by the Governor and filed with the Secretary of State on September 28, 2022, and amended Sections 65583 and 65863 of the Government Code; and

WHEREAS, Assembly Bill No. 2339 revises the requirements of the housing element, in connection with zoning designations that allow residential use, including mixed use, where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit; and

WHEREAS, Assembly Bill No. 2339 requires that emergency shelters only be subject to specified written, objective standards; and

WHEREAS, Assembly Bill No. 2339 specifies that the definition of emergency shelter shall include other interim intervention, including, but not limited to, navigation centers, bridge housing, and respite or recuperative care; and

WHEREAS, Assembly Bill No. 2339 requires an amendment to Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table); and

WHEREAS, adoption of the Zoning Ordinance text amendment is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Zoning Ordinance text amendment would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and

WHEREAS, on April 20, 2023 the Planning Commission held a duly noticed public meeting, at which time the Planning Commission received and considered the staff report as well as all evidence received including written and oral public testimony related to the proposed Zoning Amendment (Z 23-03); and

WHEREAS, on April 20, 2023 the Planning Commission recommended the City Council approve Zoning Amendment X 23-03 amending Gilroy City Code Chapter 30 (Zoning), Article XLI Section 30.41.32 (Specific provisions—Emergency shelters), Article II Section 30.2.20 (Definitions), and Article XI Section 30.11.10(c) (Residential use table) regarding emergency shelters; and

WHEREAS, the City Council held a duly noticed public hearing on May 1, 2023, at which time the City Council received and considered the zoning ordinance text amendment, took and considered written and oral public testimony including the staff report, and all other documentation related to the proposed Zoning Amendment (Z 23-03); and

WHEREAS, in accordance with City of Gilroy Chapter 30 (Zoning), Article LII (Amendment to the Zoning Ordinance), the Planning Commission has recommended, and the City Council finds, that the proposed Zoning Ordinance text amendment is necessary to carry out the general purpose of the Zoning Ordinance, and applicable General Plan goals and policies including Gilroy 2040 General Plan Land Use Goal LU 3 to provide a variety of housing types that offer choices for Gilroy residents and create complete, livable neighborhoods; Gilroy 2015-2023 Housing Element Goal H-1 (Housing Production) to provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types; and Gilroy 2015-2023 Housing Element Goal H-2 (Affordable Housing) to encourage and support the provision of affordable housing in Gilroy; and

WHEREAS, the location and custodian of the documents or other materials which constitute the record of proceedings upon which the project approval is based is the office of the City Clerk.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GILROY DOES HEREBY ORDAIN AS FOLLOWS:

SECTION I

Gilroy City Code, Chapter 30 (Zoning), Article XLI, Section 30.41.32 is hereby modified as follows:

30.41.32 Specific provisions—Emergency shelters.

In addition to the development standards in the underlying zoning district, the following standards apply to emergency shelters. In the event of conflict between these standards and the underlying zoning district regulations, the provisions of this section shall apply.

(a) **On-Site Management and Security Plan.** **The emergency shelter shall provide on-site management and security during all hours that the emergency shelter is in operation.** A management plan is required for all emergency shelters to address management experience, good neighbor issues, transportation, client supervision, screening of clients to ensure compatibility with the services provided at the facility, food services, security, and training, counseling and treatment programs for clients. Such plan shall be submitted to and approved by the planning manager and police chief prior to operation of the emergency shelter. The plan shall include a floor plan that demonstrates compliance with the physical standards of this section. The operator of each emergency shelter shall annually submit the management plan with updated information for review and approval.

(b) **Maximum Number of Beds.** The maximum number of beds **permitted to be served nightly by the facility emergency shelter** shall not be limited. However, the number of beds within any single room in a **of the emergency** shelter shall not exceed fifty (50) unless a larger number is approved on a temporary basis in advance by the planning manager **community development director** and police chief. **A floor plan that includes the maximum number of beds proposed for the emergency shelter shall be included in the application for a building permit.**

(c) **Exterior and Interior Onsite Waiting and Client Intake Area.** An indoor intake area shall be provided and be of sufficient size to accommodate the maximum number of clients anticipated to request sheltering at any given time **in addition to providing the minimum interior floor area required to comply with the maximum occupant load requirements of the California Building Code.** In addition, an exterior area shall be provided for clients waiting for the shelter to open. The waiting area shall be of sufficient size to accommodate the maximum number of clients anticipated to be waiting for the shelter to open at any given time. ~~The~~ **is exterior** waiting area shall be physically separated and visually screened from the public right-of-way. The method for determining the maximum number of clients requesting sheltering and the number of clients and waiting for the shelter to open shall be included in the shelter management plan and approved by the planning manager and police chief. **A site plan and floor plan that includes the size and location of the exterior and interior onsite waiting and intake areas shall be included in the application for a building permit.**

(d) **Parking.** One (1) parking stall shall be provided per employee and volunteer on the shift with the greatest number of employees and volunteers, **provided that the total number of parking stalls does not exceed the minimum parking that would be required for other residential or commercial uses within the same zone.** In addition, one (1) parking stall shall be provided for every ten (10) beds in the shelter.

(e) **Lighting.** Parking lots and pedestrian walkways of shelters that are open after dusk shall provide lighting of a minimum horizontal illumination of two (2) foot candles for those areas.

(f) Length of Stay. The maximum length of stay shall be limited to one hundred eighty (180) days per calendar year or less [Health and Safety Code Section 50801(e)].

(g) Proximity to Other Emergency Shelters. The minimum distance between emergency shelters shall be 300 feet.

(h) Location. Emergency Shelters shall be permitted by right in the R4 zone district and areas designated Mixed Use (MU) on the Gilroy 2040 General Plan land use diagram.

SECTION II

Gilroy City Code, Chapter 30 (Zoning), Article II, Section 30.2.20 is hereby modified as follows:

30.2.20 (Definitions)

“Emergency shelter” means housing with minimal supportive services for homeless persons that is limited to occupancy of one hundred eighty (180) days per calendar year or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay. ~~[Health and Safety Code Section 50801(e)]~~ **The definition of emergency shelter includes other interim interventions, including, but not limited to, a navigation center, emergency bridge housing, and respite or recuperative care.**

“Emergency bridge housing” means any new or existing facilities, including, but not limited to, housing in temporary structures, including, but not limited to, emergency sleeping cabins consistent with the requirements of subdivision (h) of Section 8698.3 that are reserved for homeless persons and families, together with community support facilities, including, but not limited to, showers and bathrooms adequate to serve the anticipated number of residents all of which may be located on property leased or owned by a political subdivision. An emergency bridge housing community shall include supportive and self-sufficiency development services, have the ultimate goal of moving homeless persons to permanent housing as quickly as reasonably possible, and limit rents and service fees to an ability-to-pay formula reasonably consistent with the United States Department of Housing and Urban Development’s requirements for subsidized housing for low-income persons.

“Navigation center” means Housing First, low-barrier, service-enriched shelter focused on moving homeless individuals and families into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.

SECTION III

Gilroy City Code, Chapter 30 (Zoning), Article XI, Section 32.11.10(c). is hereby modified as follows:

30.11.10(c) (Residential use table)

	A1	RR	R1	R2	R3	R4	RH	ND
Community Garden		X	X	X	X	X	X	*
Emergency Shelter ⁷	C	C	C	C	C	C X	C	*
Golf Course or County Club		C	C	C	C	C	C	*

* = Refer to the master plan or specific plan adopted for the neighborhood district area in which the property is located.

7 Emergency shelters shall be subject to the performance standards listed in section [30.41.32](#). **Emergency Shelters shall be permitted by right in the R4 zone district and areas designated Mixed Use (MU) on the Gilroy 2040 General Plan land use diagram.** Additionally, emergency shelters in the agriculture and residential zoning districts shall only serve families. For the purpose of this section, a “family” is defined as having one (1) or more individuals under eighteen (18) years of age who reside with a parent or with another person with care and legal custody of that individual (including foster parents) or with a designee of that parent or other person with legal custody. Family also includes a pregnant woman or a person who is in the process of adopting or otherwise securing legal custody of any individual under eighteen (18) years of age.

SECTION IV

If any section, subsection, subdivision, sentence, clause, or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise void or invalid by any court of competent jurisdiction, the validity of the remaining portion of this Ordinance shall not be affected thereby.

SECTION V

Pursuant to section 608 of the Charter of the City of Gilroy, this Ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

PASSED AND ADOPTED this ____ day of May 2023 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title:	Adoption of the Gilroy 2023 - 2031 Housing Element
Meeting Date:	May 1, 2023
From:	Jimmy Forbis, City Administrator
Department:	Community Development
Submitted By:	Sharon Goei, Community Development Director
Prepared By:	Cindy McCormick, Customer Service Manager

STRATEGIC PLAN GOALS

Promote Safe Affordable Housing for All

RECOMMENDATION

Staff has analyzed the proposed project and recommends that the City Council:

- a) Based on its independent analysis, find that the adoption of the Gilroy 2023-2031 Housing Element is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Gilroy 2023-2031 Housing Element would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and
- b) Adopt a resolution adopting a general plan amendment to repeal the Gilroy 2015-2023 Housing Element and adopt the Gilroy 2023-2031 Housing Element, in substantial compliance with State Housing Element Law (GPA 22-01); and
- c) Direct the Community Development Director, or designee, to submit the Gilroy 2023-2031 Housing Element and all associated documentation to the Department of Housing and Community Development (HCD), and further authorize the Community Development Director, or designee, to make any changes to the Housing Element necessary to make it internally consistent, conform to State Housing Element Law as provided in Government Code 65580 et seq, and address any changes or amendments requested by HCD to achieve certification.

EXECUTIVE SUMMARY

The City of Gilroy has prepared a draft update to the General Plan's Housing Element, consistent with State law. In addition to affirmatively furthering fair housing, the policies and programs within the draft Housing Element demonstrate the City's commitment to accommodate Gilroy's 1,773-unit Regional Housing Needs Allocation (RHNA) for the 2023-2031 (6th Cycle) Housing Element. Public engagement has been a critical component of this 6th cycle Housing Element update, and many of the programs have been modified or added in response to public input.

BACKGROUND

California Government Code Title 7, Division 1, Chapter 3, Article 10.6 [65580 – 65589.11] regulates the use and requirements of housing elements in California. State law requires that the City update its General Plan Housing Element every eight years. The draft Gilroy 2023 – 2031 Housing Element will replace the City's 2015-2023 Housing Element. The proposed goals, policies, and programs are consistent with the City's other General Plan elements, including the Land Use Element, Potential Hazards Element, and Environmental Justice Element.

Environmental Review. The Gilroy 2023-2031 Housing Element does not require any rezoning to accommodate its regional housing need allocation and is consistent with the Gilroy 2040 General Plan Environmental Impact Report. The City of Gilroy Planning Division has determined that there is no substantial evidence that the proposed Gilroy 2023-2031 Housing Element ("Project") would have a significant effect on the environment, and therefore the Project is exempt from the California Environmental Quality Act ("CEQA"). Pursuant to CEQA Guidelines Section 15061(B)(3), the Project is exempt from CEQA under the common-sense exemption that CEQA applies only to projects which have the potential to cause a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

ANALYSIS

Draft Housing Element Update Process. The City of Gilroy's 2023-2031 Draft Housing Element was prepared with input from the community, Planning Commission, and City Council. Following public hearings with the Planning Commission and City Council, the City submitted a draft Housing Element to HCD for review on October 31, 2022. In January and February 2023, City staff met with HCD staff to discuss their January 27, 2023 comments on the October 2022 draft and better understand how the City can revise the draft to be substantially compliant with State law and receive HCD certification.

Based upon discussions with HCD staff, staff revised the draft Housing Element to include additional information, analysis, and programs that should bring the draft into

compliance with State law. Based on the experiences of jurisdictions throughout the State, additional refinements may be necessary following HCD's 60-day review (anticipated July 2023); however, staff expects these changes to be relatively minor. The recommendation and resolution include language authorizing the Community Development Director to make any changes to the Housing Element necessary to make it internally consistent, conform to State Housing Element Law as provided in Government Code 65580 et seq, and address any changes or amendments requested by HCD to achieve certification. Any substantial changes would be brought back to the Council for final approval.

Consequences for late adoption. Almost all cities and counties across the state have missed their statutory deadline for adopting a compliant housing element (1/31/23 in the Bay Area). Several federal, state, and regional funding programs consider housing element compliance an eligibility or ranking criterion. Furthermore, local governments that have not adopted a compliant housing element are vulnerable to litigation, suspension of local control on building matters, and court approval of housing developments. However, conversations between City staff and HCD staff have been very productive, and staff has adequately addressed the comments received by HCD. Additionally, given Gilroy's history of approving affordable and market-rate housing projects, and our collaborative working relationships with applicants, the risk of litigation or court action is low. Furthermore, the sites identified in the Housing Element Sites Inventory do not require any rezoning. Therefore, the City would not be subject to Assembly Bill 1398, which requires rezoning to be completed within one year if a compliant Housing Element is not adopted by 5/31/23.

Planning Commission Recommendation. On April 20, 2023, the Planning Commission considered the Draft Housing Element, dated April 13, 2023, and recommended approval of the CEQA exemption and the Draft Housing Element.

The attached Planning Commission staff report provides a summary of community outreach, a summary of the required components of the Housing Element (e.g., the affirmatively furthering fair housing chapter), a list of Housing Element Goals, and background information on RHNA, the RHNA buffer, and the no net loss inventory which can be modified by staff should any RHNA deficiencies occur within the adopted Inventory. See the attached staff report for this additional information.

Following the April 20th Planning Commission, the City made refinements to the draft, including typographical and grammatical corrections, and changes that better address HCD's recommended changes to achieve certification. A revised draft was then posted to the City website on April 27, 2023 for further public review. All edits can be viewed through the redlined version of the current draft. A clean copy is also provided for easier reading. The draft Housing Element, HCD response matrix, and statutory compliance checklist are attached to this staff report as links.

A summary of the changes as they relate to the January 27, 2023 HCD comment letter is provided below. Comments are broken down by topic (e.g., fair housing).

AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH)

Fair Housing Enforcement and Capacity - Added information regarding fair housing enforcement and outreach capacity, including data from the Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity (FHEO). Local data was also collected from Project Sentinel regarding the number of calls received on behalf of the City since 2017 and the number of cases managed since 2015. Data included the complaint type, the complainant's age, and racial characteristics as requested by HCD.

Segregation and Integration (Income) - Added data from the American Community Survey (ACS) on the quantity of the population within each household income level in the City. Included a chart on households per income level and a map showing median income by census tract. Modified Program A-10 to provide more flexibility in the units allowed under SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will encourage the development of middle-income housing throughout the City, including high-resource areas primarily comprised of detached single-family residences.

Racially and Ethnically Concentrated Area of Poverty (R/ECAP) - Added more analysis of recent improvements to streetscapes and amenities in the R/ECAP. A map showing the year structures were built was included to illustrate why housing conditions may differ in the R/ECAP than elsewhere in the City. Included a map and location of curb and ADA improvements in the R/ECAP funded by CDBG. Added local data analysis by code enforcement regarding concentrations of healthcare facilities, transit, and employment opportunities in the R/ECAP.

Disproportionate Housing Needs - Included local data from code enforcement staff, the City's Quality of Life officers, and the South County Compassion Center regarding the unhoused population, including location concentrations, migration patterns, and general characteristics such as race and mental illness. Added data on the number of units in need of rehabilitation or repair.

AFFH Identified Sites - Added a table to compare census tracts in the City and to show that there is no significant, pervasive pattern of segregation that could be exacerbated by site selection or location. Included a map to show the bounds of the census tracts that intersect with Gilroy to illustrate that many discrepancies in the opportunity scoring may be due to land uses outside the City bounds. Cited programs that promote housing mobility and housing options for various income levels in high-opportunity areas.

Local Data and Knowledge - Included discussions with service providers regarding developmental disabilities and fair housing complaints. Included survey data from local farmworkers, seniors, and the City's youth regarding the top housing issues they face.

Other Relevant Factors - Expanded discussion of historical land use patterns, including racial covenants in other Santa Clara County cities. Included local data from the City's Historical Context Statement, which presents the history of Gilroy's built environment and the current land use patterns in the City. Added a discussion of the Urban Growth Boundary and the ballot initiative (Measure H) that led to its creation.

Contributing Factors to Fair Housing Issues – Based on the need to provide more housing opportunities outside the R/ECAP, the City added Program A-10 to allow triplexes and fourplexes on corner lots in the R-1 and R-2 zoning districts. This program will encourage the development of middle-income housing in high-resource areas primarily comprised of detached single-family residences.

HOUSING NEEDS

Extremely Low-Income (ELI) Households - The Housing Element includes Table 21, which shows overpayment by tenure compared between each income level. Comprehensive Housing Affordability Strategy (CHAS) data was added to show rates of overcrowding for ELI households compared to all income levels. The element includes a discussion of how overcrowding occurs when extremely low-income households cannot afford residential units with sufficient size to accommodate a large household. Under Program A-12, the City will develop a policy to incentivize housing for large households, extremely low-income households, farm workers, and households with members with intellectual or developmental disabilities. Under Program E-11, the City will facilitate and support affordable housing for extremely low-income and special-needs households by meeting with and assisting affordable housing developers and homeless service providers and pursuing funding sources to assist special-needs households such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities.

Housing Conditions - Included estimates on the number of units needing repair or replacement in the City. Included local data from the City's code enforcement officers regarding neighborhoods with housing conditions in potentially higher need of rehabilitation and replacement.

Special Housing Needs – Included local survey data focused on housing issues experienced by farmworkers, seniors, and Gilroy youth. Included local data from a Developmental Disabilities Housing Needs Analysis provided by Housing Choices (e.g., needed housing types, the number of people with a developmental disability in the City by age and living arrangement). City staff also met with intellectually or developmentally disabled (I/DD) individuals, their caregivers, and staff from Housing Choices and the San Andreas Regional Center, who provide services to I/DD individuals at Villa Esperanza, a low-income apartment development for the I/DD community. To further accommodate and facilitate housing for special needs households, the City modified programs A-2 (Surplus Lands/Affordable Housing on City-Owned Sites) and E-7 (housing for farmworkers) and added Programs E-10 (housing for disabled persons), E-11 (housing for ELI/special needs households), and E-12 (flexible standards for projects that accommodate extremely low-income and Special Needs Households). The unhoused analysis was updated to reflect the 2022 Point in Time homeless count.

SITES

Progress toward the RHNA - All of the pipeline projects can be counted in the planning period. None of the projects received a final occupancy or building permit before June 30, 2022. No known barriers to development, phasing, or other relevant

factors would prohibit the pipeline projects from completion. Table 76 (Pipeline Projects Counted in the 6th Cycle) was updated to reflect the status of each project, including the status of planning applications and building permits.

Realistic Capacity - The Housing Element was revised to discuss which zones allow 100 percent non-residential uses. The realistic capacity calculation is partly based on recent permits and inquiries that illustrate the trend of maximizing residential and minimizing commercial uses in mixed-use zones. City staff noted that inquiries coming into the City are primarily for 100 percent residential or mixed-use. Staff also noted concerns from developers over the viability of commercial uses outside the historic downtown core. Approximately 30% of the very low-income opportunity site units and approximately 45% of the moderate-income opportunity site units are located in the City's Downtown Expansion District and First Street Corridor District. To increase the likelihood that sufficient RHNA units are built in these two districts, the City added Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility). This Program will allow 100 percent residential projects in the Downtown Expansion District and flexibility for non-residential units in the First Street Mixed Use Corridor, should projects meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

Suitability of Nonvacant Sites - Expanded the discussion on non-vacant site details to include maximum FAR and residential density requirements. Included proximity to relevant resources such as schools, daycare facilities, and grocery stores. Took site characteristics, surrounding uses, and development constraints into consideration when evaluating each site's development potential. Added a No Net Loss Inventory Program to replace opportunity sites or pipeline projects that are not developed or are developed with fewer units than anticipated. Included examples of inquiry for residential development on non-vacant lots. Updated the analysis and site inventory to clarify which sites are vacant and non-vacant. One parcel was being used for parking that was being categorized as vacant and recategorized as non-vacant. Despite this minor increase in the percentage of lower-income RHNA units on non-vacant sites, Government Code Section 65583.2(g)(2) does not apply to Gilroy since only 31.2% of the proposed lower-income RHNA sites (including the buffer) are met through non-vacant sites (less than 50%).

Replacement Housing Requirements - Modified Program B-7 (Zoning Ordinance Update) to amend the Zoning Ordinance to require that any demolished residential units on the Sites Inventory be replaced pursuant to Government Code Section 65583.2(g).

Zoning for Moderate and Above Moderate-income Households (AB 725) - There are 155 moderate RHNA units remaining after pipeline projects and projected ADUs. 167 moderate-income RHNA opportunity sites allow for at least four units of development. Thus, the City complies with Government Code Section 65583.2(c)(4). The allocation of moderate units is shown in Appendix B. There is no remaining need of above-moderate units, as they are all met through pipeline projects.

Environmental Constraints - Expanded the discussion on environmental and infrastructure constraints to describe the environmental conditions related to sites in the

Downtown Specific Plan area and provided examples of environmental conditions impacting recent housing projects.

Accessory Dwelling Units (ADU) - On April 24, 2023, City staff worked with HCD to reconcile the HCD dashboard and City records regarding the number of ADUs issued building permits. The Housing Element has been updated to reflect that the City issued seven (7) ADU permits in 2018 and 13 ADUs permits in 2020.

Electronic Sites Inventory - Pursuant to Government Code section 65583.3, the City will submit an electronic version of the adopted sites inventory to HCD.

ZONING FOR A VARIETY OF HOUSING TYPES

Emergency Shelters - Expanded the discussion on emergency shelters to include analysis regarding acreage capacity to accommodate the RHNA and emergency shelters without overlapping capacity. The analysis addresses parcel size, proximity to services, transportation, and zoning amendments to address identified constraints. Amended Program E-3 (Emergency Shelter Standards) to address and analyze any constraints regarding emergency shelters. On May 1, 2023, the City Council is scheduled to consider the first reading of an Ordinance to amend the City's existing emergency shelters regulations to allow emergency shelters by-right in the City's R4 and new mixed-use zone along First Street by removing the conditional use permit requirement in those zones. The definition of emergency shelter was amended to include "other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care". The revisions also remove the reference to families and amend standards related to on-site management, waiting and intake areas, and parking based on the number of staff only. This action implements Program E-3 (Emergency Shelter Standards) and the requirements of Chapter 654, Statutes of 2022 (AB 2339), and Government Code Section 65583(a)(4).

Transitional and Supportive Housing - Added clarification to the discussion on transitional and supportive housing to affirmatively state that the City's transitional and supportive housing standards are in full compliance with Government Code Section 65583(a)(5).

Permanent Supportive Housing - Added program E-13 (Supportive Housing) to allow supportive housing by-right in zones where multifamily and mixed uses are permitted, pursuant to Government Code Section 65651.

Land Use Controls - Expanded the Downtown Specific Plan development standards table to include yard, height, density, and building form requirements Expanded the Zoning Ordinance discussion to include residential densities, planned development exceptions, lot size, floor area, and lot coverage. Expanded the discussion on the cumulative effect of development standards to address constraints on land use controls. Amended Program B-7 (Zoning Ordinance update) to evaluate development standards (e.g., parking) for all zones, including DTSP zones.

Land Use Controls - The City currently processes applications consistent with State density bonus law. As discussed in the Housing Element, multiple projects have utilized the density bonus, including the Villages at Santa Teresa/Hecker Pass Apartments (100

units), and the 1st and Kern Apartments (120 units). Program A-12 (Incentives Beyond Density Bonus State Law) goes beyond State law to offer incentives targeted at special needs and extremely low-income households.

Accessory Dwelling Units (ADUs) - Added Program A-15 (ADU Ordinance Updates), which directs the City to update the zoning ordinance to conform to current State law regarding ADUs. Under this program, the City will replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will streamline the process for approving ADUs in the City of Gilroy. To further incentivize ADU production, the City will increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet.

Building Codes - Expanded the Building Code analysis to identify and evaluate locally adopted codes, including the recently adopted reach codes.

Fees and Exaction – In addition to discussing current school fees, the Housing Element summarizes planning and development impact fees in Table 67 (Planning Related Fees) and Table 68 (Development Impact Fees). These fees were then compared to other cities in Santa Clara County in 2022, resulting in Table 69 (Total Fees per Unit, Regional Comparison) and Table 70 (Fees as Percentage of Total Development Costs, Regional Comparison). Fees in Gilroy generally fall in the mid-range comparatively. Furthermore, development has not slowed following fee increases in 2022, indicating that Gilroy's fees are reasonably set and do not represent a constraint on development. ADU impact fees are discussed in the Constraints chapter. The City modified Program A-8 (Financial Incentives for Affordable ADUs) to evaluate ADU impact fees as a potential constraint for affordable housing.

On/Off Site Improvements - Expanded the discussion of on- and off-site improvement requirements to include analysis of subdivision-level improvement requirements for a typical development. Based on recent proposals submitted and entitled citywide for a range of housing types, the City's residential site improvement requirements do not create an undue constraint on residential development.

Local Processing and Permit Procedures - Expanded the analysis on development review and permitting procedures to include the administrative vs. discretionary permitting procedures for single-family, multi-family, and planned unit development projects.

Constraints on Housing for Persons with Disabilities (Reasonable Accommodation) - Added Program E-10 (Development and Rehabilitation of Housing for Persons with Disabilities) to evaluate the City's reasonable accommodation standards and procedures, and revise, as necessary, regulations that act as potential constraints to accommodating persons with disabilities.

Constraints on Housing for Persons with Disabilities (Group Homes) - Added Program E-10 (Development and Rehabilitation of Housing for Persons with Disabilities) to evaluate and revise as necessary the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.

Nongovernmental Constraints - Expanded the discussion on requests to develop below the anticipated density and how this affects the assumptions in the sites inventory. Added discussion of the typical time between entitlement approval and requests for building permits.

Energy Conservation - Included an energy conservation section to analyze energy conservation opportunities and existing programs in residential development in the City and County. In November 2022, the City adopted the 2022 California Building Code with local amendments. The reach code amendments (e.g., EV charging) were based on the model code amendment initiated by Silicon Valley Clean Energy and incorporated adjustments resulting from outreach and stakeholder input from the local community. In early 2023, the City of Gilroy launched Solar Automated Permit Processing Plus (SolarAPP+), an online portal that simplifies and accelerates rooftop solar photovoltaic (PV) permitting processes, allowing residential solar photovoltaic systems to be installed quicker.

At-risk units - Updated Table 29 and the at-risk units analysis, consistent with HCD records. The City also updated Table 30 regarding replacement costs.

HOUSING PROGRAMS

Housing Programs (Sufficient Sites) – Revised Program A-1 (No Net Loss Inventory and Monitoring) to include the addition of a no net loss inventory list; revised Program A-2 (Surplus Lands/Affordable Housing on City-Owned Sites) to advertise City-owned surplus lands to affordable housing providers, the Santa Clara County Office of Supportive Housing, and developers of special needs housing; Program A-6 (ADU Tracking and Monitoring) was amended to include an update to the ADU strategy if annual production and affordability rates do not match the estimates included in the Housing Sites and Resources chapter; modified Program A-10 (Facilitate Missing Middle / Middle-Income Housing) to provide more flexibility in the type of units allowed under SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Added Program E-12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) to allow 100% Residential in the Downtown Expansion District and provide flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households along the First Street Corridor.

Housing Program A-2 (City-owned Lands) - Program A-2 (Surplus Lands/Affordable Housing on City-Owned Sites) was modified to include a goal of developing at least 21 lower-income units through the Surplus Lands Act and to review the entire list of City-owned sites by the end of Q4 2025 to determine which additional sites should be declared as surplus. This program also commits the City to advertise any surplus land opportunities to affordable housing providers, the Santa Clara County Office of Supportive Housing, and developers of special needs housing (e.g., extremely low-income, disabled, farmworker housing), when they become available.

Housing Program E-3 (Emergency Shelter Zoning) - On May 1, 2023, the City Council considered the first reading of an Ordinance to amend the City's existing emergency shelters regulations to allow emergency shelters by-right in the City's R4 and new mixed-use zone along 1st Street by removing the conditional use permit

requirement in those zones. The definition of emergency shelter was amended to include “other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care.” The revisions also remove the reference to families and amend standards related to on-site management, waiting and intake areas, and parking based on the number of staff only. This action implements Program E-3 (Emergency Shelters) and the requirements of Chapter 654, Statutes of 2022 (AB 2339), and Government Code Section 65583(a)(4).

Housing Program D-4 (Pursue Funding for Affordable Housing) - Program D-4 was amended to reference the use of PLHA funds for eligible activities, including the predevelopment, development, acquisition, rehabilitation, and preservation of affordable housing. Amendments also commit the City to meet with affordable housing developers to identify development opportunities and provide support for funding applications, consider incentives and concessions beyond State Density Bonus Law, and provide priority processing.

Housing Programs (Extremely Low-income and Special Needs Households) - In addition to the changes to Program D-4 noted above, the City added Program E-11 (Housing For Extremely Low Income and Special Needs Households) to commit to specific annual outreach with affordable housing developers to identify development opportunities, provide site information, assist in the entitlement processes, and consider on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards. Program G-1 (Collaboration with Development Community) was amended to specifically contact affordable housing developers and developers of special needs households for their participation in the annual developer roundtable meeting, with the goal of at least four participating in the annual roundtable.

Housing Programs (Farmworkers) - Program E-7 (Development and Conservation of Housing for Farmworkers) was modified to add the following commitment: At least once a year, the City will forward information about City-owned land and other development opportunities to developers and service providers who may be interested in developing more farmworker housing in Gilroy. Programs E-11 (Housing for Extremely Low Income and Special Needs Households) were added to commit to specific annual outreach with affordable housing developers to identify development opportunities. Eden Housing which manages three (3) farmworker housing developments in Gilroy is included on the list. Program E-11 also identifies PLHA funding as a potential source for developing farmworker housing.

Housing Programs (Governmental Constraints) – New programs were added, and existing programs were amended to remove governmental constraints on housing production. Program A-6 (ADU Tracking and Monitoring) was amended to include an update to the ADU strategy if annual production and affordability rates do not match the estimates included in the Housing Sites and Resources chapter. Program A-8 (Financial Incentives for Affordable ADUs) was amended to evaluate ADU impact fees if ADU production is lower than anticipated. Program A-10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size. A-15 (ADU Ordinance Updates) was amended to replace the ADU deed restriction requirement with an owner affidavit form

that does not require recordation at the County and to increase the allowable floor area from 1,000 to 1,200 square feet. A-16 (SB 9 Processing) was added to update the City's SB 9 webpage to include step-by-step, user-friendly instructions for processing SB 9 units and lot splits in Gilroy. Program B-3 (SB35/SB330) was amended to include the creation of checklists and instructions for reviewing and approving SB35 and SB330 projects. Under Program B-7 (Zoning Ordinance update) the City will evaluate development standards for all zones including the Downtown Specific Plan zones for potential governmental constraints. Under Program B-9 (Building Department Webpage), the City will update the Building Department webpage to include information required pursuant to AB 2234, which should help reduce applicant time and cost and increase certainty. Under Program B-10 (Zoning Code Annual Updates), the City will establish a process to update City policies, codes and ordinances to comply with new State laws affecting housing and land use. Under Program E-3 (Emergency Shelters), the City has drafted an update to the zoning ordinance to comply with Assembly Bill (AB) 2339, AB 139, and Government Code Section 65583(a)(4) regarding emergency shelters. Program E-12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) will allow 100% Residential in the Downtown Expansion District and flexibility for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households.

Housing Programs (AFFH) - Program A-10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on all corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size to encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Programs A-11 (Inclusionary Policy) and A-12 (Incentives Beyond Density Bonus State Law) will facilitate affordable housing opportunities in the City's higher resource / higher income areas. Under Program E-10 (Development and Rehabilitation of Housing for Persons with Disabilities), the City will evaluate and revise standards and procedures related to reasonable accommodation and residential care homes (i.e., group homes) as necessary to remove governmental constraints. Program F-3 (Place-Based Improvements in Downtown Gilroy) will improve conditions in the City's R/ECAP area. Program G-2 (Community Outreach and Inclusion in the Decision-Making Process) includes geographic targeting in the R/ECAP area. Similarly, Program G-4 (Increased Outreach in Downtown Areas) directs the City to consider the viewpoints and concerns of all neighborhoods within Gilroy, specifically the R/ECAP area when drafting the High-Speed Rail Station Area Plan and when updating the Downtown Specific Plan. Under Program G-7 (Bilingual Engagement), the City will increase Spanish language engagement given the City's large Hispanic population, which is further facilitated by the recent expansion of the City's bilingual pay benefits, which should increase the number of bilingual staff available to assist the Spanish-speaking community.

Housing Program A-6 (ADU Tracking and Monitoring) - Program A-6 was modified to update the ADU strategy if annual production and affordability rates do not match the estimates included in the Housing Sites and Resources section.

Program E-1 (Priority Water and Sewer Service) - Modified Program E-1 (Priority Water and Sewer Service for Affordable Housing Developments) to specify that the City shall review and update, as necessary, the Water and Sewer Service Priority Policy to ensure future affordable projects will receive service priority. This policy is currently in place. Under Program E-1, the Housing Element will be provided to water and sewer service providers upon adoption.

MISCELLANEOUS

Quantified Objectives - Revised Table 86 to include a goal for conservation beyond just preservation numbers.

General Plan Consistency – Program B-11 was added to ensure that consistency between the General Plan and Housing Element is reviewed as part of the Annual Progress Report (APR), before April 1st of each year. As amendments to the General Plan are made, the City will also review and revise the Housing Element for ongoing consistency.

Public Participation - The public participation process discussion in the Introduction chapter of the Housing Element was expanded to include summaries of public comments and how the comments were considered and incorporated into the Housing Element. Summaries of recent outreach efforts and survey results were also added.

ALTERNATIVES

Staff is recommending approval of the Draft Gilroy 2023-2031 Housing Element. Alternatively, the City Council could direct staff to add, remove, or modify the proposed text, site inventory, or any recommended goals, policies, and programs. Any revisions made following the City Council Public Hearing will be posted on the City website and then forwarded to HCD for final review.

FISCAL IMPACT/FUNDING SOURCE

The City was awarded \$150,000 in Local Early Action Planning (LEAP) grant funding and \$36,203 in Regional Early Action Planning (REAP) grant funding to help reimburse costs associated with the preparation of the Housing Element. Furthermore, the approved Community Development budget includes adequate funding to pay the \$306,155 consultant contract to update the Housing Element and offset consultant costs associated with the preparation of an Inclusionary Housing Policy, estimated to cost approximately \$90,000. Adopting the 2023-2031 Housing Element would result in fiscal impacts related to implementing the Housing Element Programs. These programs include but are not limited to amendments to City codes and policies intended to reduce governmental constraints that may limit or constrain the production of housing to meet local and regional housing needs and the goals and objectives of the General Plan. Most of the work (e.g., code amendments) would largely be accommodated within

existing staffing resources and departmental work plans; however, some of the programs will require consultants (e.g., Inclusionary Policy, Affordable Housing Incentives Policy, and Model Plans).

PUBLIC OUTREACH

A notice of the May 1, 2023 City Council Regular Meeting was advertised in The Gilroy Dispatch on Friday, April 21, 2023 (no less than 10 days prior to the meeting). City staff also emailed the Housing Element update distribution list and advertised the Housing Element update in the City's April 21st newsletter. The City Council public hearing packets are available through the City's webpage.

NEXT STEPS

Any revisions made following the City Council Public Hearing will be posted on the City website and then forwarded to HCD for final review. Based on the experiences of jurisdictions throughout the State, additional refinements may be necessary following HCD's 60-day review (anticipated July 2023); however, staff expects these changes to be relatively minor. The recommendation and resolution include language authorizing the Community Development Director to make any changes to the Housing Element necessary to make it internally consistent, conform to State Housing Element Law as provided in Government Code 65580 et seq, and address any changes or amendments requested by HCD to achieve certification. Any substantial changes would be brought back to the Council for final approval.

Attachments:

1. Draft Resolution
2. April 20, 2023 Planning Commission Public Hearing Staff Report
3. HCD Comment Letter, Dated January 27, 2023
4. Statutory Compliance Completeness Checklist
5. HCD Comment Response Matrix
6. Draft Housing Element (clean copy), Draft Housing Element (redlined changes)

RESOLUTION NO. 2023-XX**A RESOLUTION OF THE CITY OF GILROY CITY COUNCIL ADOPTING A RESOLUTION, ADOPTING A GENERAL PLAN AMENDMENT TO REPEAL THE GILROY 2015-2023 HOUSING ELEMENT AND ADOPT THE GILROY 2023-2031 HOUSING ELEMENT, IN SUBSTANTIAL COMPLIANCE WITH STATE HOUSING ELEMENT LAW (GPA 22-01)**

WHEREAS, the California Legislature has found that “California has a housing supply and affordability crisis of historic proportions, and the consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state’s environmental and climate objectives” (Gov. Code Section 65589.5); and

WHEREAS, State Housing Element Law (Government Code Sections 65580 et seq.) requires that the City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Gilroy (City) Regional Housing Need Allocation (RHNA) of 1,773 housing units, comprised of 669 very-low-income units, 385 low-income units, 200 moderate-income units, and 519 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the City of Gilroy has prepared the Gilroy 2023-2031 Housing Element (Housing Element) in substantial compliance with State Housing Element Law and has identified sites that can accommodate housing units meeting the City’s RHNA; and

WHEREAS, as provided in Government Code Section 65350 et. seq., adoption of the Housing Element constitutes a General Plan Amendment; and

WHEREAS, as provided in Government Code Sections 65352 – 65352.5 the City of Gilroy referred the Housing Element update to all California Native American tribes on the contact list provided by the Native American Heritage Commission and to other entities listed; and

WHEREAS, no California Native American tribe requested consultation; and

WHEREAS, the preparation, adoption, and implementation of the Housing Element requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City conducted extensive community outreach beginning in August 2021 and including a dedicated website, hard copy and online surveys in English and Spanish, stakeholder interviews, two bilingual virtual community workshops, an Equity Advisory Group meeting, a bilingual joint public study session with the Planning Commission and City Council, public hearings with the Planning Commission and City Council on the first public draft of the 2023-2031 Housing Element, farmworker outreach, Youth Commission outreach, Gavilan College outreach, senior citizen outreach, and intellectually and developmentally disabled community outreach; and

WHEREAS, in accordance with Government Code Section 65585 (b), on September 12, 2022, the City posted the first draft of the Housing Element and requested public comment for a minimum 30-day review period; and

WHEREAS, between October 12, 2022, and October 31, 2022, the City made revisions to the September 12, 2022 draft Housing Element in response to public comments; and

WHEREAS, on October 31, 2022, the City submitted the revised draft Housing Element to the State Department of Housing and Community Development (HCD) for its review; and

WHEREAS, on January 27, 2023, the City received a letter from HCD providing its findings regarding the October 31, 2022 Draft Housing Element; and

WHEREAS, on April 13, 2023, the City published a revised draft Housing Element responding to HCD's findings and requested public comment on the draft; and

WHEREAS, the Gilroy 2023-2031 Housing Element does not require any rezoning to accommodate its regional housing need allocation and is consistent with the Gilroy 2040 General Plan Environmental Impact Report; and

WHEREAS, the adoption of the Housing Element is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Housing Element would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and

WHEREAS, on April 20, 2023, the Planning Commission conducted a duly and properly noticed public hearing to take public testimony and consider the Housing Element and all pertinent maps, documents, and exhibits, including HCD's findings, the City's response to HCD's findings, the staff report and all attachments, and oral and written public comments; and

WHEREAS, on April 20, 2023, the Planning Commission recommended that the City Council find that the adoption of the Housing Element is exempt from review under the California Environmental Quality Act Guidelines Section 15061(b)(3) and adopt a resolution adopting a general plan amendment to repeal the Gilroy 2015-2023 Housing Element and adopt the Gilroy 2023-2031 Housing Element, in substantial compliance with State Housing Element Law (GPA 22-01); and

WHEREAS, on May 1, 2023, the City Council conducted a duly and properly noticed public hearing to take public testimony and consider the Housing Element and all pertinent maps, documents, and exhibits, including HCD's findings, the City's response to HCD's findings, the staff report and all attachments, and oral and written public comments; and

WHEREAS, as required by Government Code Section 65585(e), the City Council has considered the findings made by the Department of Housing and Community Development in their January 27, 2023 letter to the City of Gilroy, and in further consideration of Government Code Section 65585(f), has authorized the Community

Development Director, or designee, to make any changes to the Housing Element necessary to make it internally consistent, conform to State Housing Element Law as provided in Government Code 65580 et seq, and address any changes or amendments requested by HCD to achieve certification; and

WHEREAS, the location and custodian of the documents or other materials which constitute the record of proceedings upon which the project approval is based is the Community Development Department, Planning Division.

NOW, THEREFORE, BE IT RESOLVED THAT the City of Gilroy City Council hereby finds that, based on substantial evidence in the record:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.
2. The Gilroy 2015-2023 Housing Element is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Housing Element would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies.
3. The Gilroy 2023-2031 Housing Element substantially complies with Housing Element Law, as provided in Government Code 65580 et seq., and contains all provisions required by State Housing Element Law, as shown in Attachment A to this resolution, incorporated herein.
4. As required by Government Code Section 65585(e), the City Council has considered the findings made by the Department of Housing and Community Development included in the Department's letter to the City of Gilroy dated January 27, 2023, consistent with Government Code Section 65585(f), and as described in Attachment B to this resolution, incorporated herein, the City Council has changed the Housing Element in response to the findings of the Department to substantially comply with the requirements of State Housing Element Law as interpreted by HCD.
5. The Gilroy 2015-2023 Housing Element is hereby repealed in its entirety, and Gilroy 2023-2031 Housing Element, as shown in Attachment C to this Resolution, incorporated herein, is adopted.
6. This Resolution shall become effective upon adoption by the City Council.
7. The Community Development Director, or designee, is hereby directed to file all necessary material with the Department of Housing and Community Development and to make any changes to the Housing Element necessary to make it internally consistent, conform to State Housing Element Law as provided in Government Code 65580 et seq, and address any changes or amendments requested by HCD to achieve certification.

8. The Community Development Director or designee is hereby directed to distribute copies of the Housing Element in the manner provided in Government Code Sections 65357 and 65589.7.

PASSED AND ADOPTED by the City Council of the City of Gilroy at a regular meeting duly held on the 1st day of May 2023 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



Community Development Department

7351 Rosanna Street, Gilroy, CA 95020-6197
Telephone: (408) 846-0451 | Fax: (408) 846-0429
cityofgilroy.org | planningdivision@cityofgilroy.org

Sharon Goei
DIRECTOR

DATE: April 20, 2023
TO: Planning Commission
FROM: Cindy McCormick, Customer Service Manager
SUBJECT: Adoption of Gilroy 2023 - 2031 Housing Element

RECOMMENDATION:

Staff has analyzed the proposed project, and recommends that the Planning Commission:

- a) Recommend that the City Council, based on its independent analysis, find that the adoption of the Gilroy 2023-2031 Housing Element is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that the Gilroy 2023-2031 Housing Element would not result in a significant environmental effect, and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies; and
- b) Adopt a resolution recommending that the City Council adopt a Resolution (GPA 22-01), adopting a general plan amendment to repeal the Gilroy 2015-2023 Housing Element and adopt the Gilroy 2023-2031 Housing Element, in substantial compliance with State Housing Element Law.

PROJECT DESCRIPTION:

The City of Gilroy has prepared a draft update to the Housing Element of the General Plan, consistent with state law. In addition to affirmatively furthering fair housing, the policies and programs within the draft Housing Element demonstrate the City's commitment to accommodate Gilroy's 1,773-unit Regional Housing Needs Allocation (RHNA) for the 2023-2031 (6th Cycle) Housing Element. Public engagement has been a critical component of this 6th cycle Housing Element update and many of the programs have been modified or added in response to public input.

DISCUSSION AND ANALYSIS:

Background. California Government Code Title 7, Division 1, Chapter 3, Article 10.6 [65580 – 65589.11] regulates the use and requirements of housing elements in California. State law requires that the City update its General Plan Housing Element every eight years. The draft Gilroy 2023 – 2031 Housing Element will replace the City’s 2015-2023 Housing Element. The proposed goals, policies, and programs are consistent with the City’s other General Plan elements, including the Land Use Element, Potential Hazards Element, and the Environmental Justice Element.

Environmental Review. The City of Gilroy Planning Division has determined that there is no substantial evidence that the proposed Gilroy 2023-2031 Housing Element (“Project”) would have a significant effect on the environment, and therefore the Project is exempt from the California Environmental Quality Act (“CEQA”). Pursuant to CEQA Guidelines Section 15061(B)(3), the Project is exempt from CEQA under the common-sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Consequences for late adoption. Almost all cities and counties across the state have missed their statutory deadline for adopting a compliant housing element (1/31/23 in the Bay Area). Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. Furthermore, local governments that have not adopted a compliant housing element are vulnerable to litigation, suspension of local control on building matters, and court approval of housing developments. However, conversations between City staff and HCD staff have been very productive and staff have adequately addressed the comments received by HCD. Additionally, given Gilroy’s history of approving affordable and market-rate housing projects, and our collaborative working relationships with applicants, the risk of litigation or court action is low. Furthermore, the sites identified in the Housing Element Sites Inventory do not require any rezoning. Therefore, the City would not be subject to Assembly Bill 1398, which requires rezoning be completed within one year if a compliant Housing Element is not adopted by 5/31/23.

Housing Element Components. Pursuant to Government Code Section 65583, local governments must include the following components within their Housing Elements:

1. **Housing Needs Assessment:** Includes an assessment of detailed demographic data including population age, size, and ethnicity; household characteristics; overpayment trends; housing stock conditions; units in need of replacement or rehabilitation; and needs of special needs populations including the elderly, persons with disabilities, unhoused persons, extremely low-income households, and farmworkers. This Section also includes a community’s Regional Housing Needs Allocation (RHNA).
2. **Evaluation of Past Performance:** Evaluates the prior Housing Element to measure progress in implementing previously adopted policies and programs.

3. **Housing Sites Inventory:** Identifies sites with appropriate zoning to accommodate a jurisdiction's RHNA at all income levels. The standards for designating adequate sites were substantially changed for the sixth cycle, particularly for non-vacant sites.
4. **Community Engagement:** Implements a robust community engagement program that includes reaching out to individuals and families at all economic levels of the community including historically underrepresented groups.
5. **Constraints Analysis:** Identifies and analyzes potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels in the community.
6. **Policies and Programs:** Establishes policies and programs to be carried out during the 2023-2031 (6th cycle) planning period to fulfill identified housing needs.
7. **Affirmatively Further Fair Housing (AFFH):** Complies with Assembly Bill 686 (AB 686), which created new requirements for jurisdictions to affirmatively further fair housing. According to AB 686, AFFH means to take "meaningful actions, in addition to combating discrimination, which overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics". The four main goals of affirmatively furthering fair housing are to: address significant disparities in housing needs and in access to opportunity; replace segregated living patterns with truly integrated and balanced living patterns; transform racially and ethnically concentrated areas of poverty into areas of opportunity; and foster and maintain compliance with civil rights and fair housing laws.

Summary of Public Meetings. The City of Gilroy must demonstrate "meaningful, frequent, and ongoing community participation, consultation and coordination" as part of the 6th Cycle Housing Element update process. This is intended to ensure that input has been received from groups most impacted by fair housing issues and that local knowledge is incorporated into the City's Housing Element. Accordingly, the City conducted extensive community outreach beginning in August 2021 which included a dedicated website, hard copy and online surveys in English and Spanish, stakeholder interviews, two bilingual virtual community workshops, an Equity Advisory Group meeting, a joint bilingual public study session with the Planning Commission and City Council, public hearings with the Planning Commission and City Council, farmworker outreach, Youth Commission outreach, Gavilan College outreach, senior citizen outreach, and outreach to the intellectually and developmentally disabled community. Details regarding these meetings and the actions the City took to implement findings from community engagement can be found in the Introduction, Housing Needs Assessment, and Affirmatively Furthering Fair Housing sections of the Housing Element.

Gilroy's Draft Housing Element. The City of Gilroy's 2023-2031 Draft Housing Element was prepared with input from the community, Planning Commission, and City Council through the many forms of outreach summarized above. Following public hearings with the Planning Commission and City Council, the city submitted a draft Housing Element to HCD for its review on October 31, 2022. In January and February 2023, City staff met with HCD staff to discuss their comments on the October 2022 draft and get a better

understanding of how the City can revise the draft to be substantially compliant with state law and receive HCD certification.

Based upon discussions with HCD staff, staff revised the draft Housing Element to include additional information, analysis, and programs that should bring the draft into compliance with state law. Based on the experiences of jurisdictions throughout the State, additional refinements may be necessary following HCD's 60-day review (anticipated July 2023); however, staff expect these changes to be relatively minor. Any substantive changes would be brought back to the Commission and Council for final approval.

On April 13, 2023, the City published the revised Housing Element on the City website and requested public comment on the revised draft. All edits can be viewed through the tracked changes version of the current draft. A clean copy is also provided for easier reading. A summary of the changes as they relate to the January 27, 2023 HCD comment letter are provided in the attached HCD Comment Matrix. Comments are broken down by chapter and topic (e.g., AFFH; fair housing enforcement).

Regional Housing Needs Allocation (RHNA). In January 2022, HCD approved ABAG's *Final RHNA Plan for the San Francisco Bay Area: 2023-2031* which establishes a total RHNA for the San Francisco Bay Area of 441,176 residential units for the 6th cycle 2023-2031 planning period. ABAG's *Plan* further distributes this RHNA across Bay Area jurisdictions based on demographic and population data received from the California Department of Finance (DOF). Local jurisdictions must then identify eligible land resources to accommodate their ascribed RHNA across four affordability categories. Based on the Santa Clara County Area Median Income (AMI), these categories include very low-income residential units, which are affordable to households earning less than 50% of AMI; low-income units for households earning between 50% and 80% of AMI; moderate income units for households earning between 80% and 120% of AMI; and above moderate-income units for households earning upwards of 120% of AMI. As shown in the table below, Gilroy's RHNA for the 2023-2031 (6th cycle) planning period is 1,773 units including 669 very low-, 385 low-, 200 moderate-, and 519 above-moderate units.

Gilroy RHNA, 2023–2031			
Income Group	% of County AMI	Units	% of Units
Very Low*	31–50%	669	37.7%
Low	51–80%	385	21.7%
Moderate	81–120%	200	11.3%
Above Moderate	> 120%	519	29.3%
Total		1,773	100%

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

RHNA Sites Inventory / RHNA Buffer. California General Plan law requires each jurisdiction to identify “adequate sites” to accommodate its share of RHNA for each income level. Furthermore, new “no net loss” provisions of Government Code Section 65863 require jurisdictions to retain an adequate supply of land resources available for housing development throughout the duration of the planning period. If housing sites identified within Gilroy’s adopted Sites Inventory are developed with lower residential densities or at deficient affordability levels, the City will need to identify additional units to make up the loss of those units. Gilroy’s RHNA sites inventory includes an approximately 15% buffer to help ensure compliance with “no net loss” provisions. Furthermore, the City is developing a No Net Loss Inventory of additional sites that could more conservatively accommodate 600 lower-income units should the sites on the adopted inventory not be developed at the identified density or affordability level.

Maintaining a no net loss inventory that is updated outside of the adopted housing element complies with state law and will be easy to modify should any deficiencies occur. It should also be noted that if any sites on the adopted inventory are used in a subsequent planning period (for non-vacant sites) or for two or more consecutive planning periods (for vacant sites), then rezoning is required within three years of the beginning of the planning period. In this case, residential development projects would be allowed by right (no discretionary review) at specified densities when at least 20 percent of the units are affordable to lower income households.

The following table illustrates the number of sites identified for each affordability category, broken down by pipeline projects (i.e., those already approved or under review), anticipated accessory dwelling units, vacant opportunity sites, and non-vacant opportunity sites. It is important to acknowledge that the opportunity sites were chosen because they have the appropriate zoning in place to accommodate the number of units identified for each parcel. As defined under California Government Code Section 655839(c)(1), adequate sites are those with appropriate zoning and development standards, and with services and facilities to encourage and provide for the development of a variety of housing for all income levels. The California Government Code states that if a local government has adopted density standards consistent with the population-based criteria set by the state, then HCD must accept sites with those density standards as appropriate for accommodating the jurisdiction’s share of lower-income units. Accordingly, to meet the RHNA for lower-income households, the Opportunity Sites Inventory relies on sites with densities that allow for at least 30 du/acre. To meet the RHNA for moderate-income households, the inventory relies on sites zoned for up to 20 du/acre. Pursuant to state law, RHNA sites accommodating lower-income units must have areas between 0.5 and 10 acres, regardless of allowed density. The identified RHNA sites meet State criteria. Furthermore, sites that may otherwise meet the 30 du/ac default density but are smaller than 0.5 acres are presumed to be affordable to moderate-income households.

RHNA CAPACITY AND BUFFER						
	Category	Very Low	Low	Moderate	Above Moderate	Total
A	RHNA Assessment	669	385	200	519	1,773
B	Pipeline Projects (<i>Table 79</i>)	62	401	3	756	1,222
C	ADUs (<i>Table 80</i>)	42	42	42	14	140
D	Unmet RHNA (A - B - C)	565	-	155	-	720
E	Vacant Opportunity Sites (<i>Table 84</i>)	324	-	116	-	440
F	Non-Vacant opportunity Sites (<i>Table 85</i>)	329	-	62	-	391
G	Opportunity Site Capacity (E + F)	653	-	178	-	831
H	Total Capacity (B + C + G)	757	443	223	770	2,193
J	RHNA Buffer (H - A)	88	58	23	251	420
K	RHNA Buffer % $((E - D) / D)$	16%	-	15%	-	-

Policies and Programs. The Housing Element includes a set of goals, policies, and implementing programs intended to promote the preservation, rehabilitation, and production of housing. Goals are long-range, broad, and comprehensive targets that describe desired future outcomes. A policy is a specific instructional guideline that seeks to promote goals. Together, goals and policies are implemented through a series of programs that identify specific, quantifiable actions the City will undertake during the 6th cycle planning period. The following seven (7) broad goals are included in the Housing Element along with a series of policies that include general commitments, strategies, and approaches to accomplishing the goals.

1. **Housing Production:** Provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types.
2. **Removal of Government Constraints:** Remove or reduce governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.
3. **Housing Preservation and Rehabilitation:** Maintain and conserve the existing housing stock in a sound, safe, and sanitary condition.
4. **Housing Assistance to Meet the Needs of All Income Levels:** Encourage and support the provision of a variety of affordable housing types.
5. **Special Housing Needs:** Increase access to decent and suitable housing for Gilroy residents with special housing needs.

6. **Fair Housing:** Ensure equal housing opportunities for all Gilroy residents regardless of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.
7. **Education and Outreach:** Increase awareness of and participation in housing programs.

Fair Housing Issues, Contributing Factors, and Meaningful Actions. The City has adopted goals and actions that specifically address the contributing factors identified in the City's Affirmatively Furthering Fair Housing (AFFH) analysis. While the City views all contributing factors as important to address, higher priority was given to factors that limit fair housing choice and/or negatively impact fair housing, per Government Code section 65583(c)(10)(A)(iv). Table 58 in the Housing Element provides a detailed overview of Housing Element Programs that are aimed at affirmatively furthering fair housing. For each program, the table lists the action, fair housing issue, priority level, specific commitment, timeline, geographic targeting, and associated metric. For example, to provide additional "access to opportunities", three programs were created to improve housing mobility and choice, especially in higher opportunity areas of the City. Program A-10 will create a ministerial approval process for missing middle housing (duplexes, triplexes, and quadplexes) on corner lots in the R-1 and R-2 zones that meet objective design standards. While SB9 currently allows duplexes in the R-1 zone, Program A-10 provides further flexibility by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A-10 will encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprised of detached single-family residences. Similarly, adoption of an inclusionary housing policy (Program A-11) and incentives beyond density bonus state law (Program A-12) will help distribute affordable housing opportunities, and encourage more inclusivity on the west side of the City, where incomes are generally higher.

CONCLUSION AND NEXT STEPS

The City of Gilroy's 2023–2031 (6th Cycle) Housing Element has been prepared in compliance with the State of California Government Code Section 65302, in conformance with the Housing Element Guidelines as established by the California Department of Housing and Community Development (HCD), and in response to HCD recommendations in their January 27, 2023 comment letter. The Housing Element goals, policies, and programs aim to: encourage the development of a variety of housing opportunities and provide adequate sites to meet the 2023–2031 Regional Housing Needs Allocation (RHNA); assist in the development of housing to meet the needs of lower- and moderate-income households; address and, where appropriate and legally possible, remove governmental constraints to housing development; conserve, preserve, and improve the condition of the existing affordable housing stock; and promote equal housing opportunity for all residents to reside in the housing of their choice. These objectives are required by and delineated in State law (California Code Section 65583 [c][1]).

HCD Comment Letter Response Matrix. Pursuant to Government Code section 65585, subdivision (b), HCD reviewed the City of Gilroy's draft Housing Element and reported the results of its review in a letter dated January 27, 2023. Attachment 3 contains a response to each recommendation within HCD's January 27, 2023 letter, illustrating that the revised draft includes the necessary changes to bring the Gilroy 2023-2031 Housing Element into compliance with Article 10.6 of the Government Code.

Compliance with State Housing Element Law. In addition to addressing each of HCD's recommendations in the City's Response Matrix, Attachment 4 is the City of Gilroy's Housing Element Completeness Checklist. The checklist illustrates that the Gilroy 2023-2031 Housing Element meets the statutory requirements of Government Code section 65580 – 65588, prior to submittal to HCD.

Next Steps: The recommendation of the Planning Commission shall be forwarded to the City Council. A Council hearing date is tentatively scheduled for May 1, 2023. Revisions made as a result of the Planning Commission and City Council Public Hearings will be posted on the City website and forwarded to HCD for final review.

PUBLIC NOTICING:

A notice of the April 20, 2023 Planning Commission meeting was advertised in The Gilroy Dispatch on Friday, April 7, 2023 (no less than 10 days prior to the meeting). The Planning Commission public hearing packets are available through the City's webpage.

APPEAL PROCEDURE:

In accordance with Section 30.51.50 of the Gilroy City Code, the Planning Commission's decision may be appealed, in writing, to the City Council within 20 days of adoption of the resolution. Appeal forms may be obtained from the City Clerk and must be submitted with the appropriate fee before the end of the appeal period.

Attachments:

1. Draft Resolution
2. HCD Comment Letter, dated January 27, 2023
3. HCD Comment Response Matrix
4. Housing Element Completeness Checklist
5. Draft Gilroy 2023-2031 Housing Element
6. Draft Gilroy 2023-2031 Housing Element, with tracked changes

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



January 27, 2023

Sharon Goei, Director
Community Development Department
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020

Dear Sharon Goei:

RE: City of Gilroy's 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the City of Gilroy's (City) draft housing element update received for review on October 31, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on January 18, 2023. In addition, HCD considered comments from YIMBY Law and Greenbelt Alliance, YIMBY Law and Campaign for Fair Housing Elements, Housing Action Coalition (Via a meeting), and Silicon Valley at Home, pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline pursuant to Government Code section 65583, subdivision (c)(1)(A) and Government Code section 65583.2, subdivision (c). Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.

Sharon Goei, Director
Page 2

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

We are committed to assist the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Connor Finney, of our staff, at Connor.Finney@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX CITY OF GILROY

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <https://www.hcd.ca.gov/planning-and-community-development/hcd-memos>. Among other resources, the housing element section contains HCD's latest technical assistance tool, Building Blocks for Effective Housing Elements (Building Blocks), available at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks> and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs Resources and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Fair Housing Enforcement and Capacity: The housing element must include a summary of fair housing enforcement and outreach capacity. The analysis must address how the City complies with state and federal fair housing laws, including regulations, lawsuits, and related enforcement actions. The element should also quantify local complaints and discuss characteristics relative to protected characteristics (e.g., disability, race, familial status)

Segregation and Integration (Income): The element discusses areas of higher concentration of lower and moderate-income households and poverty, including coincidences with race. However, the element should also consider American Community Survey data for income categories related to median incomes and discuss areas of relatively higher income then expand the discussion of income using local data and knowledge as well as other relevant factors like zoning and land use.

Racially and Ethnically Concentrated Area of Poverty (RECAP): While the element identifies the RECAP and discusses some current efforts such as the environmental justice element, it should expand the discussion of this area to better formulate appropriate policies and programs. For example, the element could examine and compare the quality of life relative to other neighborhoods (e.g., parks, streetscapes, schools, safe routes to schools, infrastructure, community amenities, housing conditions, neighborhood conditions).

Disproportionate Housing Needs: The element includes some general information on persons experiencing homelessness and housing conditions but should also evaluate those needs, impacts and patterns within the City, such as areas of higher need. For

homelessness, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. For housing conditions, the element should discuss any areas of potentially higher needs of rehabilitation and replacement. The element may utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.

Affirmatively Furthering Fair Housing (AFFH) and Identified Sites: The element includes some discussion of identified sites to accommodate the regional housing needs allocation (RHNA) and fair housing conditions. For example, the element discusses the low and moderate-income RHNA in areas of higher concentrations of lower and moderate-income households. But the discussion should address the RHNA for all income categories by location instead of fair housing categories to better evaluate whether identified sites exacerbate or improve fair housing conditions. The discussion should also quantify the RHNA by income group and location and evaluate impacts on existing patterns. For example, the element could quantify the lower, moderate and above moderate-income RHNA in the central eastern part of the City, discuss impacts on the existing number of households relative to socio-economic characteristics (e.g., income, TCAC resource, overpayment, displacement) and then evaluate whether the inventory exacerbates or improves fair housing conditions. This same analysis should be performed for the northwestern and other parts of the City.

Local Data and Knowledge: The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers, City staff and related local and county planning documents.

Other Relevant Factors: The element must include other relevant factors that contribute to fair housing issues in the City. For instance, the element can analyze historical land use (zoning, ballot initiatives, growth controls), information about redlining/greenlining, disinvestment, and other issues that impacted socio-economic patterns complemented by the state and federal data.

Contributing Factors to Fair Housing Issues: Based on the outcomes of a complete analysis, the element should re-assess contributing factors and particularly prioritize those factors then formulate appropriate policies and programs.

2. *Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households. (Gov. Code, § 65583, subd. (a)(1).)*

Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)

Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)

Extremely Low-Income (ELI) Households: The element (p. 71) reports that approximately 80 percent of ELI households experience housing problems then, with no further discussion, concludes the City is preparing an inclusionary requirements and density bonus ordinance. While inclusionary and density bonuses can be meaningful policies, the element should examine the needs of ELI households to better formulate policies and programs. The analysis should evaluate tenure, overcrowding, overpayment, disproportionate impacts relative to other income groups, resources, past strategies and their effectiveness and magnitude of housing needs.

Housing Conditions: The element discusses housing units by age, number of units lacking plumbing and kitchen facilities and recent code enforcement activities but should still estimate (City-wide) the number of units in need of rehabilitation and replacement.

Special Housing Needs: While the element includes some quantification of special housing needs, it must still analyze those needs. The analysis should include, but is not limited to, factors such as trends, household income, tenure, housing types, zoning, available resources, effectiveness of past strategies and an evaluation of the magnitude of the need. Local officials, special needs service providers, or social and health service providers may be able to assist with information to complete the analysis.

In addition, the analysis should quantify the number of persons with developmental disabilities as well as update homelessness numbers from the most recent PIT count.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Progress toward the RHNA: While the element may utilize constructed, permitted, approved and pending projects toward the RHNA, it must also demonstrate their availability in the planning period. Availability should confirm the projects have not been reported before the beginning of the projection period (June 30, 2022) and account for the likelihood of project completion in the planning period, including the status, necessary steps to issue permits, any barriers to development, phasing, build-out horizons, dropout rates and other relevant factors.

Realistic Capacity: Where zoning allows 100 percent nonresidential uses, the calculation of residential capacity should account for the likelihood of 100 percent nonresidential development. For example, the element could analyze all development activity in nonresidential zones allowing 100 percent nonresidential uses, how often

residential development occurs and adjust residential capacity calculations, policies, and programs accordingly. This analysis may incorporate any proposed policies such as residential performance standards, prohibition of commercial uses and should clarify that all zones allow residential uses, particularly 100 percent residential uses.

Suitability of Nonvacant Sites: The element must demonstrate the potential for additional development on nonvacant sites. While the element (p. 181) notes recent trends on sites with existing uses and includes general descriptions of nonvacant sites, it should evaluate the extent existing uses impeded additional development and demonstrate the potential for redevelopment in the planning period, including sites identified in prior planning periods. The analysis should address market demand for the existing use and existing leases, contracts or other conditions that would perpetuate the existing use or prevent additional residential development. The element should include a discussion of why the uses will likely discontinue or be redeveloped in the planning period and should consider additional indicators of the potential for redevelopment such as age and condition of the existing structure, expressed developer or property owner interest, existing versus allowable floor area, and other factors.

In addition, based on public comments, the inventory may contain sites with existing uses that are labeled as vacant. The element should make corrections, as appropriate.

Replacement Housing Requirements: If the sites inventory identifies sites with existing residential uses, the element must include a replacement housing program for units affordable to lower-income households Pursuant to Government Code section 65583.2, subdivision (g). Absent a replacement housing program, these sites are not adequate sites to accommodate lower-income households. The replacement housing program has the same requirements as set forth in Government Code section 65915, subdivision (c) (3).

Zoning for Moderate and Above Moderate-income Households (AB 725): For jurisdictions that are considered Metropolitan, pursuant to Government Code section 65583.2, subdivision (c)(4), the element must identify at least 25 percent of the remaining moderate and above moderate RHNA on sites that allow at least four units of housing (e.g., four plex or greater).

Environmental Constraints: While the element generally describes environmental conditions, it should also describe how those conditions relate to identified sites and evaluate any other known conditions (e.g., shape, easements, contamination) that could preclude or impact housing development on identified sites in the planning period.

Accessory Dwelling Units (ADU): While the element demonstrates a sufficient methodology to utilize ADUs toward the RHNA, the figures differ from HCD's records. HCD records show no ADUs reported in 2018 and 13 ADUs reported in 2020. The City should reconcile these differences either in the element or correcting the annual progress reports pursuant to Government Code section 65400.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov. HCD has not received a copy of the electronic inventory. Please note, the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

- *Emergency Shelters*: Zoning to permit emergency shelters without discretionary action was required within the first year of the 4th cycle planning period. The element appears to explain that zoning to permit emergency shelters without discretionary action is not available. If this is the case, the element cannot be found in compliance until the appropriate zoning is established since the first year in the 4th cycle of the planning period has lapsed. In addition, the element commits to amend the R4 zone and mentions approximately 10 acres available to accommodate the need for emergency shelters. However, how this acreage overlaps with capacity to accommodate the RHNA is unclear and the element should include specific discussion of available capacity to accommodate the need for emergency shelters separate from capacity to accommodate the RHNA. The analysis of capacity should also address typical parcel sizes and proximity to transportation and services. If necessary, the element should consider additional zones. Finally, the element should specifically list development standards, identify any potential constraints, including parking and specifically commit to address constraints in Program E-3 (Emergency Shelters Zoning).

For your information, statute was recently amended to specify how to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. Future submittals may need to address these requirements. For more information and applicable timing, see HCD's AB 2993 memorandum at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

- *Transitional and Supportive Housing*: Transitional housing and supportive housing must be permitted as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).) The City appears to subject transitional and supportive housing for seven or persons to a conditional use permit, unlike other residential uses. The element must either clarify transitional and supportive housing standards are permitted in compliance with statutory requirements or add or revise programs to comply with the statutory requirements.
- *Permanent Supportive Housing*: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential

zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... requests to develop housing at densities below those anticipated in the analysis required by subdivision (c) of Government Code section 65583.2 and the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)

Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to parking, heights, lot coverage, allowable density ranges and development standards for the Downtown Specific Plan by zone. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities.

In addition, the element concludes the City complies with State Density Bonus Law (SDBL) pursuant to Government Code section 65915 but should include a discussion to support this conclusion or add or modify programs to comply with SDBL. For example, the element should discuss application requirements, decision-making criteria and consistency with various benefits under SDBL such as density bonuses, concessions and incentives, development standard modifications and parking reductions.

Accessory Dwelling Units (ADUs): The element indicates the City modifies its zoning code to ease barriers to the development of ADU's. However, after a cursory review of the City's ordinance, the department discovered several areas which were not consistent with State ADU law. This includes, but is not limited to, excessive development standards, requiring existing dwellings to correct nonconforming zoning conditions prior to approval of and ADU, maxim and minimum size restrictions, allowing additional conditions to be imposed by the City Manager, among others. The Department will provide a complete listing of ADU noncompliance issues under a separate cover. As a result, the element should add a program to update the City's ADU ordinance to comply with State law.

Building Codes: The element should identify and evaluate any local amendments to the building code for impacts on housing costs.

Fees and Exaction: The element provides a cumulative analysis of fees on various housing types but should also list all the various planning and impact fees, including to better evaluate the impacts on housing development costs. The element should also include a specific analysis on ADU impact fees as a constraint to ADU production.

On/Off Site Improvements: The element states the City requires on and off-site improvements but should also identify subdivision level improvement requirements for a typical development, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and cost. For additional information and a sample analysis, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/codes-and-enforcement-and-onsite-offsite-improvement-standards>.

Local Processing and Permit Procedures: The element lists procedural steps for permits but should also analyze the procedures for a typical single family and multifamily development complying with zoning. The analysis should address the approval body, the number of public hearing if any, approval findings and any other relevant information. The analysis should address impacts on housing supply (number of units), cost, feasibility, timing and approval certainty.

Constraints on Housing for Persons with Disabilities: The element should analyze potential constraints on housing for persons with disabilities, as follows:

Reasonable Accommodation: The element describes the reasonable accommodation procedure (p. 158) but should specifically analyze decision-making criteria such as approval findings. For example, the procedure includes a decision-making factor of potential impacts on surrounding uses – a conditional use permit (CUP) finding which can acts as a constraint. The element should analyze this factor and add or modify programs to address the constraint.

- *Group Homes:* The element indicates group homes for six or less persons and seven or more persons are excluded from the A zone, unlike single family uses. The element should analyze this as a constraint and include a program to address the constraint. Additionally, group homes for seven or more persons are subject to a CUP. The element should analyze the CUP requirement and add or modify programs to address the constraint.

Nongovernmental Constraints: The element should include a discussion about requests for development at lesser densities than assumptions in the sites inventory. In addition, the element should include a discussion of the typical time between entitlement approval and requests for building permits. The discussion should address any

hinderances on housing development and programs should be added as appropriate to address constraints.

5. *An analysis of opportunities for energy conservation with respect to residential development. Cities and counties are encouraged to include weatherization and energy efficiency improvements as part of publicly subsidized housing rehabilitation projects. This may include energy efficiency measures that encompass the building envelope, its heating and cooling systems, and its electrical system. (Gov. Code, § 65583, subd. (a)(8).)*

Energy Conservation: The element must include analysis of energy conservation opportunities in residential development. The analysis should facilitate the adoption of housing element policies and programs. For example, programs could provide incentives to promote higher density housing along transit, encourage green building techniques and materials in new construction and remodels, promote energy audits and participation in utility conservation programs, and facilitate energy conserving retrofits upon resale of homes. For additional information and sample analysis, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/opportunities-energy-conservation>.

6. *An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. (Gov. Code, § 65583, subd. (a)(9).)*

The analysis of at-risk unit must estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately and does not have to contain a project-by-project cost estimate. The analysis should also reconcile the number of at-risk units with HCD's records. HCD will send a list of at-risk properties under separate cover.

B. Housing Programs

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised, as follows:

- *Program A-2 (City-owned Lands)*: The Program should go beyond reviewing parcels and commit to a schedule of actions to facilitate development, including numerical objectives.
- *Program E-3 (Emergency Shelter Zoning)*: The Program should be modified with specific commitment to amend zoning based on the outcomes of a complete analysis as noted in Finding A3. Specific commitment includes listing the actual standards that will be revised. In addition, the Program should specifically commit to permit emergency shelters without discretionary action.

2. *Assist in the development of adequate housing to meet the needs of extremely low-, very low-, low-, and moderate-income households Gov. Code, § 65583, subd. (c)(2).*

The element must include a program(s) to assist in the development of housing affordable to lower-income households, including extremely low-income (ELI) and special needs households, as follows:

- *Program D-4 (Pursue Funding for Affordable Housing)*: The Program should specifically commit to annual outreach with affordable housing developers to identify development opportunities and provide assistance such as supporting funding application, providing funding, incentives and concessions beyond SDBL, fee waivers and priority processing.
- *Extremely Low-income and Special Needs Households*: Programs must be revised or added to assist in the development of housing for ELI and special needs households. Program actions could include assisting with funding applications, prioritizing some funding for housing developments, offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units. For additional information, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs>.
- *Farmworkers*: the element should include specific commitment to address the needs of farmworkers. For example, the element could commit to proactive actions to coordinate with nonprofit developers, employers, and other related organizations, to explore funding and incentives and to identify specific development opportunities.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of*

housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)

As noted in Finding A4, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

As noted in Finding A1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, milestones, geographic targeting and metrics or numeric objectives and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity or income areas, place-based strategies toward community revitalization and displacement protection.

5. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

Program A-6 (ADU Tracking and Monitoring): While the Program commits to annually track ADU production, it should also track ADU affordability and should include discrete timing and specific commitment if ADU assumptions are not realized such as committing to additional incentives and rezoning within six months.

C. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b) (1 & 2).)

While the element includes quantified objectives for new construction, rehabilitation, and conservation by income group; it should consider quantified objectives for conservation (beyond at-risk preservation). For your information, the quantified objectives do not represent a ceiling, but rather set a target goal for the City to achieve, based on needs, resources, and constraints.

D. General Plan Consistency

In construing the provisions of this article, the Legislature intends that the general plan and elements and parts thereof comprise an integrated, internally consistent and compatible statement of policies for the adopting agency. (Gov. Code, § 65300.5)

While the element discusses how internal consistency will be achieved with other elements of the general plan as part of the housing element update, it should also discuss how internal consistency will be maintained throughout the planning period. For example, the element could include a program to conduct an internal consistency review of the General Plan as part of the annual General Plan implementation report required by Government Code section 65400. The annual report can also assist future updates of the housing element. For additional information and a sample program, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/analysis-consistency-general-plan-and-coastal-zone-requirements>.

E. Water and Sewer Priority

The housing element adopted by the legislative body and any amendments made to that element shall be immediately delivered to all public agencies or private entities that provide water or sewer services for municipal and industrial uses, including residential, within the territory of the legislative body. Each public agency or private entity providing water or sewer services shall grant a priority for the provision of these services to proposed developments that include housing units affordable to lower income households. (Gov. Code, § 65589.7)

Program E-1 (Priority Water and Sewer Service): If the City is the water or sewer provider, the Program should specifically commit to establish a written procedure to grant priority service to developments with units affordable to lower-income households. In addition, local governments are required to immediately deliver the housing element to water and sewer service providers.

F. Public Participation:

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

While the element includes a general summary of the public participation process, it must also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the *Building Blocks* at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/public-participation>.



HOUSING ELEMENT COMPLETENESS CHECKLIST

A Quick Reference of Statutory Requirements for Housing Element Updates Updated 1/2021

The purpose of this completeness checklist is to assist local governments in the preparation of their housing element. It includes the statutory requirements of Government Code section 65580 – 65588. Completion of this checklist is not an indication of statutory compliance but is intended to provide a check to ensure that relevant requirements are included in the housing element prior to submittal to the Department of Housing and Community Development pursuant to Government Code section 65585(b). For purposes of the Checklist the term “analysis” is defined as a description and evaluation of specific needs, characteristics, and resources available to address identified needs.

For technical assistance on each section visit [California Housing and Community Development Building Blocks Technical Assistance](https://www.hcd.ca.gov/community-development/building-blocks/index.shtml) (<https://www.hcd.ca.gov/community-development/building-blocks/index.shtml>)

Checklist

Public Participation

Government Code section 65583, subdivision (c)(8)

Description of Requirement	Page Number
Description of the diligent efforts the jurisdiction made to include all economic segments of the community and/or their representatives in the development and update of the housing element	1-4, 80-82
Summary of the public input received and a description of how it will be considered and incorporated into the housing element.	4-10, 81

Review and Revise

Government Code section 65588, subdivision (a)

Description of Requirement	Page Number
<u>Progress in implementation</u> – A description of the actual results or outcomes of the previous element's goals, objectives, policies, and programs (e.g. what happened).	9-25
<u>Effectiveness of the element</u> – For each program, include an analysis comparing the differences between what was projected or planned in the element and what was achieved.	9-25
<u>Appropriateness of goals, objectives, policies, and programs</u> –A description of how the goals, objectives, policies, and programs in the updated element are being changed or adjusted to incorporate what has been learned from the results of the previous element. (e.g. continued, modified, or deleted.)	9-25
<u>Special needs populations</u> – Provide a description of how past programs were effective in addressing the housing needs of the special populations. This analysis can be done as part of describing the effectiveness of the program pursuant to (2) if the jurisdiction has multiple programs to specifically address housing needs of special needs populations or if specific programs were not included, provide a summary of the cumulative results of the programs in addressing the housing need terms of units or services by special need group.	3-7
<u>AB 1233 – Shortfall of sites from the 5th cycle planning period</u> – Failure to implement rezoning required due to a shortfall of adequate sites to accommodate the 5th cycle planning period RHNA for lower-income households triggers the provisions of Government Code section 65584.09.	2-3

Comments:

Housing Needs Assessment – Quantification and Analysis of Need

Government Code section 65583, subdivision (a)(1)(2) and section 65583.1, subdivision (d)

For information on how to credit reductions to RHNA See “Housing Element Sites Inventory Guidebook” at [HCD’s technical assistance memos](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml) (<https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>)

Description of Requirement	Page Number
Population (e.g., by age, size, ethnicity, households by tenure) and employment trends	29-38
Household characteristics including trends, tenure, overcrowdings and severe overcrowding	36-46
Overpayment by income and tenure	43-45
Existing housing need for extremely low-income households	72
Projected housing needs: Regional Housing Needs Allocation (RHNA) by income group, including projected extremely low-income households	28
Housing stock conditions, including housing type, housing costs, vacancy rate	36-43
Estimate of the number of units in need of replacement and rehabilitation	53-54

Identification and Analysis of the Housing Needs for Special Needs Populations

Government Code section 65583, subdivision (a)(7)

Description of Requirement	Page Number
Elderly	61-64
Persons with Disabilities, including Developmental Disabilities	56-61
Large Households	64-67
Farmworkers (seasonal and permanent)	70-72
Female Headed Households	66-67
Homeless (seasonal and annual based on the point in time count)	67-70
Optional: Other (e.g. students, military)	NA

Comments:

Affirmatively Further Fair Housing - An Assessment of Fair Housing – Required for Housing Element due after 1/1/2021.

Government Code section 65583, subdivision (c)(10)(A)

Part 1 Outreach

Description of Requirement	Page Number
Does the element describe and incorporate meaningful engagement that represents all segments of the community into the development of the housing element, including goals and actions?	2-10

Part 2 Assessment of Fair Housing

Description of Requirement	Page Number
Does the element include a summary of fair housing enforcement and capacity in the jurisdiction?	88-90
The element must include an analysis of these four areas: Integration and segregation patterns and trends	90-108
Racially or ethnically concentrated areas of poverty	108-114
Disparities in access to opportunity	114-129
Disproportionate housing needs within the jurisdiction, including displacement risk	129-140

Each analysis should include these components:

- ☐ Local: Review and analysis of data at a local level
- ☐ Regional impact; Analysis of local data as it compares on a regional level
- ☐ Trends and patterns: Review of data to identify trends and patterns over time
- ☐ Other relevant factors, including other local data and knowledge
- ☐ Conclusion and findings with a summary of fair housing issues

Part 3 Sites Inventory

Description of Requirement	Page Number
Did the element identify and evaluate (e.g., maps) the number of units, location and assumed affordability of identified sites throughout the community (i.e., lower, moderate, and above moderate income RHNA) relative to all components of the assessment of fair housing?	225-245
Did the element analyze and conclude whether the identified sites improve or exacerbate conditions for each of the fair housing areas (integration and segregation, racially and ethnically concentrated areas of poverty, areas of opportunity, disproportionate housing needs including displacement)?	225-245

Comments:

Part 4 Identification of Contributing Factors

Description of Requirement	Page Number
Did the element identify, evaluate, and prioritize the contributing factors to fair housing issues?	147-150

Part 5 Goals and Actions Page

Description of Requirement	Page Number
Did the element identify, goals and actions based on the identified and prioritized contributing factors?	151-152
Do goals and actions address mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for preservation and revitalization, displacement protection and other program areas?	153-162

Programs must include the following components:

- ☐ Actions must be significant, meaningful and sufficient to overcome identified patterns of segregation and affirmatively further fair housing.
- ☐ Metrics and milestones for evaluating progress on programs/actions and fair housing results.

Affordable Housing Units At-Risk of Conversion to Market Rate Government Code section 65583, subdivision (a)(9)

See [Preserving Existing Affordable Housing](https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml) (https://www.hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml)

Description of Requirement	Page Number
Provide an inventory of units at-risk of conversion from affordable to market-rate rents within 10 years of the beginning of the planning period. The inventory must list each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use, and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year.	52-53
Provide an estimate and comparison of replacement costs vs. preservation costs	53-54
Identify qualified entities to acquire and manage affordable housing	51-52
Identify potential funding sources to preserve affordable housing	54-55

Comments:

Analysis of Actual and Potential Governmental Constraints
Government Code section, 65583, subdivisions (a)(5), (a)(4), (c)(1), and section 65583.2, subdivision (c)

See “Accessory Dwelling Unit Handbook” at [HCD's Accessory Dwelling Unit Assistance page](https://www.hcd.ca.gov/policy-research/accessorydwellingunits.shtml) (https://www.hcd.ca.gov/policy-research/accessorydwellingunits.shtml)

Description of Requirement	Page Number
Land use controls (e.g. parking, lot coverage, heights, unit size requirements, open space requirements, Accessory Dwelling Unit (ADU) requirements, floor area ratios, growth controls (e.g., caps on units or population or voter approval requirements, conformance with the requirements of SB 330), inclusionary requirements, consistency with State Density Bonus Law and Housing Accountability Act, and consistency with zoning and development standard website publication and transparency requirements pursuant to Gov. Code § 65940.1 subd. (a)(1)(B)).	162-178
Local processing and permit procedures (e.g., typical processing times, permit types/requirements by housing type and zone, decision making criteria/findings, design/site/architectural review process and findings, description of standards [objective/subjective], planned development process). Element should also describe whether the jurisdiction has a process to accommodate SB 35 streamline applications and by-right applications for permanent supportive housing and navigation centers.	187-196
Building codes and their enforcement (e.g., current application of the California Building Code, any local amendments, and local code enforcement process and programs)	197
On and Off-Site improvement requirements (e.g., street widths, curbing requirements)	1998-200
Fees and other exactions (e.g., list all fees regardless of entity collecting the fee, analyze all planning and impact fees for both single family and multifamily development, provided typical totals and proration to total development costs per square foot, and consistency with fee website publication and transparency requirements pursuant to Gov. Code § 65940.1 subd. (a)(1)(A)).	191-194
Housing for persons with disabilities (e.g. definition of family, concentrating/siting requirements for group homes, reasonable accommodation procedures, application of building codes and ADA requirements, zoning for group homes and community care facilities)	196-197
Analysis of locally-adopted ordinances that directly impact the cost and supply of housing (e.g. inclusionary ordinance, short-term rental ordinance)	184-187

Comments:

An Analysis of Potential and Actual Nongovernmental Constraints

Government Code section, 65583, subdivision (a)(6)

Description of Requirement	Page Number
Availability of financing	197-198
Price of land	196
Cost of Construction	197
Requests to develop housing below identified densities in the sites inventory and analysis	195-196
Typical timeframes between approval for a housing development project and application for building permits	181-184

■ Does the analysis demonstrate the jurisdiction's action(s) to mitigate nongovernmental constraints that create a gap between planning for housing to accommodate all income levels and the construction of housing to accommodate all income levels?

Zoning for a Variety of Housing Types

Government Code section, 65583, subdivisions (a)(4), (c)(1), and subdivision 65583.2 subdivision (c)

Provide an analysis of zoning and availability of sites for a variety of housing types including the following:

Description of Requirement	Page Number
Multifamily Rental Housing	134
Housing for Agricultural Employees (permanent and seasonal) (compliance with Health and Safety Code sections 17021.5, 17021.6, and 17021.8	134
Emergency Shelters (including compliance with new development/parking standards pursuant to AB 139/Gov. Code § 65583 subd. (a)(4)(A)).	176-177
Low Barrier Navigation Centers	177-178
Transitional Housing	178
Supportive Housing (including compliance with AB 2162, statutes of 2019)	178
Single-Room Occupancy Units	178
Manufactured homes, including compliance with Gov. Code § 65852.3	178
Mobile Home Parks	178
Accessory Dwelling Units	176

Comments:

Site Inventory and Analysis

Government Code, section 65583, subdivision (a)(3), section 65583.1, subdivision

See “Housing Element Sites Inventory Guidebook” and “Default Density Standard Option” at [HCD’s technical assistance memos](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml) (https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml)

See [Site Inventory Form](https://www.hcd.ca.gov/community-development/housing-element/docs/Site_inventory_template09022020.xlsm) (https://www.hcd.ca.gov/community-development/housing-element/docs/Site_inventory_template09022020.xlsm) and [Site Inventory Form Instructions](https://www.hcd.ca.gov/community-development/housing-element/docs/Site_inventory_instructions.pdf) (https://www.hcd.ca.gov/community-development/housing-element/docs/Site_inventory_instructions.pdf)

Site Inventory – The site inventory must be prepared using the form adopted by HCD.

A electronic copy of the site inventory is due at the time the adopted housing element is submitted to HCD for review and can be sent to siteinventory@hcd.ca.gov.

Site Inventory

Description of Requirement	Page Number
<i>Sites Inventory Form Listing:</i> Parcel listing by parcel number, size, general plan and zoning, existing uses on non-vacant sites, realistic capacity, level of affordability by income group, publicly owned sites (optional).	222-231
<i>Prior Identified Sites:</i> Address whether sites are adequate to accommodate lower income needs based on identification in the prior planning period for non-vacant sites or two or more for vacant sites.	222-231
Map of sites	297

☐ Did the jurisdiction use the sites inventory form adopted by HCD?

Site Inventory Analysis and Methodology

Description of Requirement	Page Number
<i>RHNA Progress:</i> List the number of pending, approved or permitted units by income group based on actual or anticipated sales prices and rents since the beginning of the projection period	206-207
<i>Environmental Constraints:</i> Address any known environmental or other constraints, conditions or circumstances, including mitigation measures, that impede development in the planning period	211-214
<i>Appropriate density:</i> Identification of zoning to accommodate RHNA for lower-income households: - Identify zones meeting the “default” density (Gov. Code § 65583.2 subd. (c)(3)(B)) or; - Identify and analyze zones with densities less than the “deemed appropriate” (default) density that are appropriate to accommodate lower RHNA.	211

Comments:

Description of Requirement	Page Number
<i>Capacity:</i> Describe the methodology used in quantifying the number of units that can be accommodated on each APN: • If development is required to meet a minimum density, identify the minimum density, or; • Describe the methodology used to determine realistic capacity accounting for land use controls and site improvement requirements, typical density trends for projects of similar affordability, and current or planned infrastructure. • For sites with zones allowing non-residential uses, demonstrate the likelihood of residential development	207-208
<i>Infrastructure:</i> Existing or planned infrastructure to accommodate the regional housing need, including water, sewer and dry utilities	219-241
<i>Small and large sites:</i> Sites identified to accommodate lower RHNA that are less than one-half acre or larger than 10 acres require analysis to establish they are adequate to accommodate the development of affordable units.	N/A
<i>Affirmatively Furthering Fair Housing:</i> Identified sites throughout the community that affirmatively furthers fair housing (see page 5 of checklist)	83-127
<i>Nonvacant Sites Analysis:</i> For nonvacant sites, demonstrate the potential and likelihood of additional development within the planning period based on extent to which existing uses may constitute an impediment to additional residential development, past experience with converting existing uses to higher density residential development, current market demand for the existing use, any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites	221-241
If nonvacant sites accommodate 50 percent or more of the lower-income RHNA, demonstrate the existing use is not an impediment to additional development and will likely discontinue in the planning period, including adopted findings based on substantial evidence.	N/A
Nonvacant sites that include residential units (either existing or demolished) that are/were occupied by, or subject to, affordability agreements for lower-income households within 5 years are subject to a housing replacement program. (Gov. Code § 65583.2 subd. (g)(3))	221-241

Please note: This checklist does not include new requirements related to zoning for sites accommodating the moderate and above moderate income pursuant to AB 725, statutes of 2020 as this requirement is not enacted until 2022.

Comments:

Alternative Methods to Accommodate the RHNA: Optional

Description of Requirement	Page Number
Accessory Dwelling Units: Analyze the number and affordability level of ADU units projected to be built within the planning period, including resources and incentives and other relevant factors such as potential constraints, and the likelihood of availability for rent	216-217
Existing Residential Units: number and affordability level of units rehabilitated, converted or preserved that meet the provisions of alternative adequate sites. In addition, this includes units in a motel, hotel, or hostel that are converted to residential units and made available to persons experiencing homelessness as part of a COVID-19 response and acquisition of mobile home park. If using this option, the adequate site alternative checklist must be provided.	NA
Other: Jurisdictions are encouraged to consult with HCD regarding other alternative methods options including new manufactured housing park hook-ups, floating homes/live aboard berths, conversion of military housing, adaptive reuse of commercial uses, or other housing opportunities unique to the community to ensure their adequacy to accommodate RHNA.	NA

Other Miscellaneous Requirements

Also see Technical Advisories issued by the Governor's Office of Planning and Research at: [New state legislation related to General Plans Appendix C](http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) (http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf) and [Fire Hazard Planning General Plan Technical Advice Series](http://opr.ca.gov/docs/Final_6.26.15.pdf) (http://opr.ca.gov/docs/Final_6.26.15.pdf)

Description of Requirement	Page Number
Description of the means by which consistency with the general plan will be achieved and maintained. (Gov. Code § 65583 subd. (c)(8))	158-166
Description of construction, demolition, and conversion of housing for lower- and moderate-income households within the Coastal Zone (if applicable). (Gov. Code § 65588 subds. (c) and (d))	NA
Description of opportunities for energy conservation in residential development. (Gov. Code § 65583 subd. (a)(8))	202-203
Description of consistency with water and sewer priority requirements pursuant to SB 1087 (Gov. Code § 65589.7)	201
Other elements of the general plan triggered by housing element adoption: - Disadvantaged Communities (Gov. Code § 65302.10) - Flood Hazard and Management (Gov. Code § 65302 subds. (d)(3) and (g)(2)(B)) - Fire Hazard (Gov. Code § 65302 and 65302.5) - Environmental Justice (Gov. Code § 65302 subd. (h)) - Climate Adaptation	NA

Comments:

Schedule of Actions/Programs

Government Code, section 65583, subdivisions (c)(1 – 7), and (10)

For adequate site programs See “Housing Element Sites Inventory Guidebook” at [HCD's technical assistance memos](https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml) (<https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>)

Program Description	Program numbers	Page number
<i>Program(s) to provide adequate sites (large/small sites, incentives for mixed use/nonvacant sites, publicly owned sites, annexation, etc)</i>	A-1 - A-16	255-265
If required: Program to accommodate a shortfall of adequate sites to accommodate the lower RHNA. This program must meet the specific criteria identified in Gov. Code § 65583.2 subd. (h) and (i).	A-1	255
If required: Program to accommodate an unaccommodated need from the previous planning period pursuant to Gov code § 65584.09		
If required: Program when vacant/nonvacant sites to accommodate lower RHNA have been identified in multiple housing elements, if needed. (Gov. Code § 65583.2 subd. (c))		
If required: Program to provide replacement units when occupied by, or deed restricted to lower-income households within the last 5 years, if needed. (Gov. Code § 65583.2 subd. (g)(3))	A-1	255
<i>Program(s) to assist in the development of housing to accommodate extremely-low, very-low, low or moderate-income households, including special needs populations</i>	A-2, A-12, D-4, E-11-13	256-284
<i>Program to address governmental and nongovernmental constraints to the maintenance, improvement, and development of housing</i>	B-1 - B-9	266-269
<i>Program(s) to conserve and improve the condition of the existing affordable housing stock</i>	C-1 , C-2	271-272

Comments:

Program Description	Program numbers	Page number
<i>Program(s) to promote and affirmative further fair housing opportunities</i>	F1 - F5	285-288
<i>Program(s) to preserve units at-risk of conversion from affordable to market-rate rents.</i>	C-1,C-6	271,274
<i>Program(s) to incentivize and promote the creation of accessory dwelling units that can be offered at an affordable rent.</i>	A-1,6,7,8,0,15, G-3	255-291

☐ Do programs specify specific clear commitment, meaningful actions, that will have beneficial impact within the planning period?

☐ Do programs identify timing, objectives (quantified where appropriate), and responsible parties, if appropriate for implementation?

Quantified Objectives

Government Code, section 65583, subdivisions (b)

For an example table addressing this requirement visit [California Housing and Community Development Building Blocks](https://www.hcd.ca.gov/community-development/building-blocks/program-requirements/program-overview.shtml) (https://www.hcd.ca.gov/community-development/building-blocks/program-requirements/program-overview.shtml)

Description of Requirement	Page Number
Estimate the number of units likely to be constructed, rehabilitated and conserved or preserved by income level, including extremely low-income, during the planning period	253

Comments:

City of Gilroy Response to Comment Matrix
HCD Letter Dated 01-27-23

HCD Comment	Chapter / Page Number	City Response - HEU Revisions / Programs
AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH)		
<u>Fair Housing Enforcement and Capacity</u> : The housing element must include a summary of fair housing enforcement and outreach capacity. The analysis must address how the City complies with state and federal fair housing laws, including regulations, lawsuits, and related enforcement actions. The element should also quantify local complaints and discuss characteristics relative to protected characteristics (e.g., disability, race, familial status).	Fair Housing Enforcement and Outreach Capacity/98-100	<u>Fair Housing Enforcement and Capacity</u> : Added information regarding fair housing enforcement and outreach capacity, including data from the Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity (FHEO). Noted that there are no active lawsuits in the City. Local data was also collected from Project Sentinel, regarding the number of calls received on behalf of the City since 2017 and the number of cases managed since 2015. Local data included the type of complaint, age of complainant, and racial characteristics as requested by HCD.
<u>Segregation and Integration (Income)</u> : The element discusses areas of higher concentration of lower and moderate-income households and poverty, including coincidences with race. However, the element should also consider American Community Survey data for income categories related to median incomes and discuss areas of relatively higher income then expand the discussion of income using local data and knowledge as well as other relevant factors like zoning and land use.	Figure 14: Households per Income Level, 2021 and Figure 15: Median Household Income, 2019/107-109	<u>Segregation and Integration (Income)</u> : Added data from the American Community Survey (ACS) on the quantity of the population within each household income level in the City. Included a chart on households per income level and a map showing median income by census tract. Included local data on historical land use patterns in the eastern and western portions of the City. Modified Program A-10 to provide more flexibility in the type of units allowed under SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will encourage the development of middle-income housing throughout the City, including high-resource areas primarily comprised of detached single-family residences.
<u>Racially and Ethnically Concentrated Area of Poverty (RECAP)</u> : While the element identifies the RECAP and discusses some current efforts such as the environmental justice element, it should expand the discussion of this area to better formulate appropriate policies and programs. For example, the element could examine and compare the quality of life relative to other neighborhoods (e.g., parks, streetscapes, schools, safe routes to schools, infrastructure, community amenities, housing conditions, neighborhood conditions).	R/ECAPs/118-123	<u>Racially and Ethnically Concentrated Area of Poverty (RECAP)</u> : Added more analysis of recent improvements to streetscapes and amenities in the R/ECAP. Included a map of year structures were built to illustrate why housing conditions may be different in the R/ECAP than elsewhere in the City. Included map and location of curb and ADA improvements in the R/ECAP funded by CDBG. Added local data analysis by code enforcement staff regarding concentrations of health care facilities, transit, and employment opportunities in the R/ECAP.

City of Gilroy Response to Comment Matrix
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HCD Comment	Chapter / Page Number	City Response - HEU Revisions / Programs
<u>Disproportionate Housing Needs</u>: The element includes some general information on persons experiencing homelessness and housing conditions but should also evaluate those needs, impacts and patterns within the City, such as areas of higher need. For homelessness, the element should examine disproportionate impacts on protected characteristics (e.g., race, disability) and patterns of need, including access to transportation and services. For housing conditions, the element should discuss any areas of potentially higher needs of rehabilitation and replacement. The element may utilize local data and knowledge such as service providers and code enforcement officials to assist this analysis.	Substandard Housing/141-148	<u>Disproportionate Housing Needs</u>: Included local data from code enforcement staff, the City's Quality of Life officer, and the South County Compassion Center regarding the unhoused population including location concentrations, migration patterns, use of transit and services, and general characteristics such as race and mental illness. Added local data on the number of dwelling units in Gilroy in need of rehabilitation or repair.
<u>Affirmatively Furthering Fair Housing (AFFH) and Identified Sites</u>: The element includes some discussion of identified sites to accommodate the regional housing needs allocation (RHNA) and fair housing conditions. For example, the element discusses the low and moderate-income RHNA in areas of higher concentrations of lower and moderate-income households. But the discussion should address the RHNA for all income categories by location instead of fair housing categories to better evaluate whether identified sites exacerbate or improve fair housing conditions. The discussion should also quantify the RHNA by income group and location and evaluate impacts on existing patterns. For example, the element could quantify the lower, moderate and above moderate-income RHNA in the central eastern part of the City, discuss impacts on the existing number of households relative to socio-economic characteristics (e.g., income, TCAC resource, overpayment, displacement) and then evaluate whether the inventory exacerbates or improves fair housing conditions. This same analysis should be performed for the northwestern and other parts of the City.	City Overview/92-97	<u>Affirmatively Furthering Fair Housing (AFFH) and Identified Sites</u>: Added a table to compare census tracts in the City and to show that there is no significant, pervasive pattern of segregation that could be exacerbated by site selection or location. Included a map to show the bounds of the census tracts that intersect with Gilroy to illustrate that many discrepancies in the opportunity scoring may be due to land uses outside the City bounds. Cited programs that promote housing mobility and housing options of various income levels in high opportunity areas.

City of Gilroy Response to Comment Matrix
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HCD Comment	Chapter / Page Number	City Response - HEU Revisions / Programs
<u>Local Data and Knowledge:</u> The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers, City staff and related local and county planning documents.	Other Contributing Factors/151-154 Persons with Disabilities 117-118	<u>Local Data and Knowledge:</u> Included discussions with service providers regarding developmental disabilities and fair housing complaints. Included survey data from local farmworkers, seniors, and the City's youth regarding the top housing issues they face. Included local data from planning staff, code enforcement staff, the City's Quality of Life officer, Project Sentinel, and the South County Compassion Center on various issues throughout the Housing Element text.
<u>Other Relevant Factors:</u> The element must include other relevant factors that contribute to fair housing issues in the City. For instance, the element can analyze historical land use (zoning, ballot initiatives, growth controls), information about redlining/greenlining, disinvestment, and other issues that impacted socio-economic patterns complemented by the state and federal data.	Other Contributing Factors/151-154	<u>Other Relevant Factors:</u> Expanded discussion of historical land use patterns, including racial covenants in other Santa Clara County cities. Included local data from the City's Historical Context Statement, which presents the history of Gilroy's built environment that contributed to the current land use patterns in the City. Added a discussion of the Urban Growth Boundary and the ballot initiative (Measure H) that led to its creation.
<u>Contributing Factors to Fair Housing Issues:</u> Based on the outcomes of a complete analysis, the element should re-assess contributing factors and particularly prioritize those factors then formulate appropriate policies and programs.	Contributing Factors/154-166	<u>Contributing Factors to Fair Housing Issues:</u> Based on the need to provide more housing opportunities outside the R/ECAP, the City added Program A-10 to allow triplexes and fourplexes on corner lots in the R-1 and R-2 zoning districts. This program will encourage the development of middle-income housing in high-resource areas primarily comprised of detached single-family residences. Programs A-11 (Inclusionary Policy) and A-12 (Incentives Beyond Density Bonus State Law) will facilitate affordable housing opportunities in the City's higher resource / higher income areas. Program F-3 (Place-Based Improvements in Downtown Gilroy) will improve conditions in the City's R/ECAP area. Program G-2 (Community Outreach and Inclusion in the Decision-Making Process) includes geographic targeting in the R/ECAP area. Similarly, Program G-4 (Increased Outreach in Downtown Areas) directs the city to consider the viewpoints and concerns of all

City of Gilroy Response to Comment Matrix
HCD Letter Dated 01-27-23

HCD Comment	Chapter / Page Number	City Response - HEU Revisions / Programs
		neighborhoods within Gilroy, and specifically the R/ECAP area when drafting the High-Speed Rail Station Area Plan and when updating the Downtown Specific Plan. Under Program G-7 (Bilingual Engagement), the City will increase Spanish language engagement given the City's large Hispanic population which is further facilitated by the recent expansion of the City's bilingual pay benefits, which should increase the number of bilingual staff available to assist the Spanish-speaking community.
HOUSING NEEDS		
<u>Extremely Low-Income (ELI) Households:</u> The element (p. 71) reports that approximately 80 percent of ELI households experience housing problems then, with no further discussion, concludes the City is preparing an inclusionary requirements and density bonus ordinance. While inclusionary and density bonuses can be meaningful policies, the element should examine the needs of ELI households to better formulate policies and programs. The analysis should evaluate tenure, overcrowding, overpayment, disproportionate impacts relative to other income groups, resources, past strategies and their effectiveness and magnitude of housing needs.	Extremely Low-Income Households/82-85	<u>Extremely Low-Income (ELI) Households:</u> The element includes Table 21, which shows overpayment by tenure compared between each income level. CHAS data was added to show rates of overcrowding for ELI households compared to all income levels. The element includes a discussion of how overcrowding occurs when extremely low-income households cannot afford residential units with sufficient size to accommodate a large household. Under Program E-11, the City will facilitate and support affordable housing for extremely low income and special needs households by meeting with and assisting affordable housing developers and homeless service providers, and pursuing funding sources, to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities. Under Program A-12, the City will develop a policy to incentive housing for large households, extremely low-income households, farmworkers, and households with members with intellectual or developmental disabilities.
<u>Housing Conditions:</u> The element discusses housing units by age, number of units lacking plumbing and kitchen facilities and recent code enforcement activities but should still estimate (City-wide) the number of units in need of rehabilitation and replacement.	Housing Conditions/61 Substandard Housing/141-142	<u>Housing Conditions:</u> Included local data from the City's code enforcement officers regarding neighborhoods with housing conditions in potentially higher need of rehabilitation and replacement. Included local data on the estimated number of units in need of repair or replacement in the City.
<u>Special Housing Needs:</u> While the element includes some quantification of special housing needs, it must still analyze those needs. The analysis	Special Housing Needs/66-85	<u>Special Housing Needs:</u> The unhoused analysis was updated to reflect the 2022 Point in Time homeless count. Included local data from a Developmental Disabilities Housing

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should include, but is not limited to, factors such as trends, household income, tenure, housing types, zoning, available resources, effectiveness of past strategies and an evaluation of the magnitude of the need. Local officials, special needs service providers, or social and health service providers may be able to assist with information to complete the analysis. In addition, the analysis should quantify the number of persons with developmental disabilities as well as update homelessness numbers from the most recent PIT count.		Needs Analysis provided by Housing Choices (e.g., unique needs of disabled individuals, needed housing types, the number of people with a developmental disability in the City by age and living arrangement). Included local data from meetings with intellectually and developmentally disabled (I/DD) individuals, their caregivers, and staff from Housing Choices and the San Andreas Regional Center. Included information on Villa Esperanza, a facility that provides low-income apartment units and services for persons with disabilities. Included local data from surveys focused on housing issues experienced by farmworkers, seniors, and Gilroy youth. To further accommodate and facilitate housing for special needs households, the City modified programs A-2 (Surplus Lands/Affordable Housing on City-Owned Sites) and E-7 (housing for farmworkers) and added Programs E-10 (housing for disabled persons), E-11 (housing for ELI/special needs households), and E-12 (flexible standards for projects that accommodate extremely low-income and Special Needs Households). Program G-1 (Collaboration with Development Community) was amended to specifically contact affordable housing developers and developers of special needs households for their participation in the annual developer roundtable meeting, with the goal of at least four participating in the annual roundtable.
SITES		
<u>Progress toward the RHNA:</u> While the element may utilize constructed, permitted, approved and pending projects toward the RHNA, it must also demonstrate their availability in the planning period. Availability should confirm the projects have not been reported before the beginning of the projection period (June 30, 2022) and account for the likelihood of project completion in the planning period, including the status, necessary steps to issue permits, any barriers to development, phasing, build-out horizons, dropout rates and other relevant factors.	Entitled and Pending Pipeline Projects/225-226	<u>Progress toward the RHNA:</u> All of the pipeline projects can be counted in the planning period. None of the projects received final occupancy or a final building permit before June 30, 2022. There are no known barriers to development, phasing, or other relevant factors that would prohibit the pipeline projects from completion. Table 76 (Pipeline Projects Counted in the 6th Cycle) was updated to reflect the status of each project, including the status of planning applications and building permits.

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<u>Realistic Capacity</u>: Where zoning allows 100 percent nonresidential uses, the calculation of residential capacity should account for the likelihood of 100 percent nonresidential development. For example, the element could analyze all development activity in nonresidential zones allowing 100 percent nonresidential uses, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly. This analysis may incorporate any proposed policies such as residential performance standards, prohibition of commercial uses and should clarify that all zones allow residential uses, particularly 100 percent residential uses.	Realistic Capacity/217-218	<u>Realistic Capacity</u>: The Housing Element was revised to discuss which zones allow 100 percent non-residential uses. The realistic capacity calculation is partly based on recent permits and inquiries that illustrate the trend of maximizing residential and minimizing commercial uses in mixed-use zones. City staff noted that inquiries coming into the City are primarily for 100 percent residential or mixed-use. Staff also noted concerns from developers over the viability of commercial uses outside the historic downtown core. Approximately 29.9 percent of the very low-income opportunity site units and approximately 44.9 percent of the moderate-income opportunity site units are located in the City's Downtown Expansion District (20.4% and 44.9%) and First Street Corridor District (9.5% and 0%). To increase the likelihood that a sufficient number of residential units are built in this District, the City added Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility). This Program will allow 100 percent residential projects in the Downtown Expansion District should projects meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).
<u>Suitability of Nonvacant Sites</u>: The element must demonstrate the potential for additional development on nonvacant sites. While the element (p. 181) notes recent trends on sites with existing uses and includes general descriptions of nonvacant sites, it should evaluate the extent existing uses impeded additional development and demonstrate the potential for redevelopment in the planning period, including sites identified in prior planning periods. The analysis should address market demand for the existing use and existing leases, contracts or other conditions that would perpetuate the existing use or prevent additional residential development. The element should include a discussion of why the uses will likely discontinue or be redeveloped in the planning period and should consider additional indicators of the potential for redevelopment such as age and condition of the existing structure,	Non-Vacant Site Details: 231-251 Program A-1/265 Appendix B/308-310	<u>Suitability of Nonvacant Sites</u>: Expanded the discussion on non-vacant site details to include maximum FAR and residential density requirements. Included proximity to relevant resources such as schools, daycare facilities, and grocery stores. Took site characteristics, surrounding uses, and development constraints into consideration when evaluating each site's development potential. Included examples of inquiry for residential development on non-vacant lots. Modified Program A-1 (No Net Loss Inventory and Monitoring) to create a No Net Loss Inventory of replacement sites within 18 months of Housing Element certification to ensure the City has adequate sites to accommodate any net loss of RHNA sites or accessory dwelling units (ADUs) that fall below projections. Updated the analysis and sites inventory to clarify which sites are vacant and non-vacant. There was one parcel being used for parking that was being categorized as vacant that has

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expressed developer or property owner interest, existing versus allowable floor area, and other factors. In addition, based on public comments, the inventory may contain sites with existing uses that are labeled as vacant. The element should make corrections, as appropriate.		been recategorized as non-vacant. Despite this minor increase in the percentage of lower-income RHNA units on non- vacant sites, the requirements of Government Code Section 65583.2(g)(2) do not apply to Gilroy, since only 31.2 percent of the proposed lower-income RHNA sites (including the buffer) are met through non-vacant sites (less than 50%).
<u>Replacement Housing Requirements:</u> If the sites inventory identifies sites with existing residential uses, the element must include a replacement housing program for units affordable to lower-income households Pursuant to Government Code section 65583.2, subdivision (g). Absent a replacement housing program, these sites are not adequate sites to accommodate lower-income households. The replacement housing program has the same requirements as set forth in Government Code section 65915, subdivision (c) (3).	Program B-3/276	<u>Replacement Housing Requirements:</u> Modified Program B-7 (Zoning Ordinance Update) to amend the Zoning Ordinance to require that any demolished residential units on the Sites Inventory be replaced pursuant to Government Code Section 65583.2(g).
<u>Zoning for Moderate and Above Moderate-income Households (AB 725):</u> For jurisdictions that are considered Metropolitan, pursuant to Government Code section 65583.2, subdivision (c)(4), the element must identify at least 25 percent of the remaining moderate and above moderate RHNA on sites that allow at least four units of housing (e.g., four plex or greater).	Zoning for Moderate and Above Moderate Households/229	<u>Zoning for Moderate and Above Moderate-income Households (AB 725):</u> There are 155 moderate RHNA units remaining after pipeline projects and projected ADUs. There are 167 moderate-income RHNA opportunity sites that allow for at least four units of development. Thus, the City is compliant with Government Code Section 65583.2(c)(4). The allocation of moderate units is shown in Appendix B. There is no remaining need of above moderate units, as they are all met through pipeline projects.
<u>Environmental Constraints:</u> While the element generally describes environmental conditions, it should also describe how those conditions relate to identified sites and evaluate any other known conditions (e.g., shape, easements, contamination) that could preclude or impact housing development on identified sites in the planning period.	Environmental and Infrastructure Constraints/221-224	<u>Environmental Constraints:</u> Expanded the discussion on environmental and infrastructure constraints to describe the environmental conditions related to sites in the DTSP and provided examples of environmental conditions impacting recent housing projects.

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<u>Accessory Dwelling Units (ADU)</u>: While the element demonstrates a sufficient methodology to utilize ADUs toward the RHNA, the figures differ from HCD's records. HCD records show no ADUs reported in 2018 and 13 ADUs reported in 2020. The City should reconcile these differences either in the element or correcting the annual progress reports pursuant to Government Code section 65400.	Accessory Dwelling Units/226-227 Programs A-6, A-7, A-8, A-15 and G-3/268-269, 301	<u>Accessory Dwelling Units (ADU)</u>: <u>Accessory Dwelling Units (ADU)</u>: On April 24, 2023, City staff worked with HCD to reconcile the HCD dashboard and City records. The HCD dashboard should now show seven (7) ADUs in 2018. Upon checking through City records, it was determined that 13 ADUs were issued permits in 2020, while the remaining seven (7) units received "final permits" in 2020 but were "issued permits" in either 2018 or 2019. The Housing Element has been updated to reflect the correct number. Although the overall average of ADUs decreased, the City has proposed five (5) ADU programs that should assist the City in achieving the estimated 140 ADUs over the 2023-2031 planning period. Additionally, Program A-6 (ADU Tracking and Monitoring) was amended to include an update to the ADU strategy if annual production and affordability rates do not match the estimates included in the Housing Sites and Resources chapter. The full list of ADU programs include Program A-6 (ADU Tracking and Monitoring), A-7 (ADU Pre-Designed Plans), A-8 (Financial Incentives for Affordable ADUs), Program A-15 (ADU Ordinance Updates), and G – 3 (ADU Education).
<u>Electronic Sites Inventory</u>: Pursuant to Government Code section 65583.3, subdivision (b), upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov. HCD has not received a copy of the electronic inventory. Please note, the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at https://www.hcd.ca.gov/planning-and-community-development/housing-elements for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.	N/A	<u>Electronic Sites Inventory</u>: Pursuant to Government Code section 65583.3, the City will submit an electronic version of the adopted sites inventory to sitesinventory@hcd.ca.gov.
ZONING FOR A VARIETY OF HOUSING TYPES		

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<u>Emergency Shelters</u>: Zoning to permit emergency shelters without discretionary action was required within the first year of the 4th cycle planning period. The element appears to explain that zoning to permit emergency shelters without discretionary action is not available. If this is the case, the element cannot be found in compliance until the appropriate zoning is established since the first year in the 4th cycle of the planning period has lapsed. In addition, the element commits to amend the R4 zone and mentions approximately 10 acres available to accommodate the need for emergency shelters. However, how this acreage overlaps with capacity to accommodate the RHNA is unclear and the element should include specific discussion of available capacity to accommodate the need for emergency shelters separate from capacity to accommodate the RHNA. The analysis of capacity should also address typical parcel sizes and proximity to transportation and services. If necessary, the element should consider additional zones. Finally, the element should specifically list development standards, identify any potential constraints, including parking and specifically commit to address constraints in Program E-3 (Emergency Shelters Zoning). For your information, statute was recently amended to specify how to demonstrate suitable sites and sufficient capacity to accommodate the need for emergency shelters. Future submittals may need to address these requirements. For more information and applicable timing, see HCD's AB 2993 memorandum at https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf.	Emergency Shelters/186-187 Program E-3/289	<u>Emergency Shelters</u>: Expanded the discussion on emergency shelters to include analysis regarding acreage capacity to accommodate the RHNA and emergency shelters, without overlapping capacity. The analysis now addresses parcel size and proximity to services, transportation, and development standards to address identified constraints. Amended Program E-3 (Emergency Shelter Standards) to ensure any constraints regarding emergency shelters are addressed and analyzed. On May 1, 2023, the City Council considered the first reading of an Ordinance to amend the City's existing emergency shelters regulations to allow emergency shelters by-right in the City's R4 and new mixed-use zone along 1st Street by removing the conditional use permit requirement in those zones. The definition of emergency shelter was amended to include "other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care". The revisions also remove the reference to families and amend standards related to on-site management, waiting and intake areas, and parking based on the number of staff only. This action implements Program E-3 (Emergency Shelter Standards) and the requirements of Chapter 654, Statutes of 2022 (AB 2339) and Government Code Section 65583(a)(4). Once approved, the revised Ordinance would take effect prior to the end of HCD's 60-day review period (approximately mid-June).
<u>Transitional and Supportive Housing</u>: Transitional housing and supportive housing must be permitted as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other	Transitional and Supportive	<u>Transitional and Supportive Housing</u>: Added clarification to the discussion on transitional and supportive housing to affirmatively state the City's transitional and supportive housing standards are in full compliance with Government Code Section 65583(a)(5).

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residential dwellings of the same type in the same zone. (Gov. Code, § 65583, subd. (a)(5).) The City appears to subject transitional and supportive housing for seven or persons to a conditional use permit, unlike other residential uses. The element must either clarify transitional and supportive housing standards are permitted in compliance with statutory requirements or add or revise programs to comply with the statutory requirements.	Housing/188	
<u>Permanent Supportive Housing</u> : Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.	Transitional and Supportive Housing/188 Program E-13/294	<u>Permanent Supportive Housing</u> : Added program E-13 (Supportive Housing) to allow supportive housing by-right in zones where multifamily and mixed uses are permitted, pursuant to Government Code Section 65651.
<u>Land Use Controls</u>: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to parking, heights, lot coverage, allowable density ranges and development standards for the Downtown Specific Plan by zone. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty and ability to achieve maximum densities. In addition, the element concludes the City complies with State Density Bonus Law (SDBL) pursuant to Government Code section 65915 but should include a discussion to support this conclusion or add or modify	Land Use Controls/170-182 Program A-12/273 Program B-7/278	<u>Land Use Controls</u>: Expanded the Downtown Specific Plan development standards table to include yard, height, density, and building form requirements. Expanded the Zoning Ordinance discussion to include residential densities, planned development exceptions, lot size, floor area, and lot coverage. Expanded the discussion on cumulative effect of development standards to address constraints on land use controls. Amended Program B-7 (Zoning Ordinance update) to evaluate development standards (e.g., parking) for all zones, including DTSP zones. The City currently processes applications consistent with state density bonus law. As discussed in the Housing Element, multiple projects have utilized the density bonus, including the Jemcor Apartments (130 units), the Hecker Pass Apartments (100 units), and the 1st and Kern Apartments (120 units).

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programs to comply with SDBL. For example, the element should discuss application requirements, decision-making criteria and consistency with various benefits under SDBL such as density bonuses, concessions and incentives, development standard modifications and parking reductions.		Program A-12 (Incentives Beyond Density Bonus State Law) goes beyond state law to offer incentives targeted at special needs households and extremely low-income households.
<u>Accessory Dwelling Units (ADUs)</u> : The element indicates the City modifies its zoning code to ease barriers to the development of ADU's. However, after a cursory review of the City's ordinance, the department discovered several areas which were not consistent with State ADU law. This includes, but is not limited to, excessive development standards, requiring existing dwellings to correct nonconforming zoning conditions prior to approval of and ADU, maximum and minimum size restrictions, allowing additional conditions to be imposed by the City Manager, among others. The Department will provide a complete listing of ADU noncompliance issues under a separate cover. As a result, the element should add a program to update the City's ADU ordinance to comply with State law.	Providing for a Variety of Housing Types/186, Programs A-6, A-7, A-8, A-15 and G-3/268-269, 301	<u>Accessory Dwelling Units (ADUs)</u> : Program A-15 (ADU Ordinance Updates) directs the City to update the zoning ordinance to conform to current state law regarding ADUs. Additionally, under this program, the City will replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will streamline the process for approving ADUs in the City of Gilroy. To further incentivize ADU production, the City will increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet. In addition, there are several other programs intended to increase the number of ADUs in the City, including Program A-6 (ADU Tracking and Monitoring), A-7 (ADU Pre-Designed Plans), A-8 (Financial Incentives for Affordable ADUs), and G – 3 (ADU Education).
<u>Building Codes</u> : The element should identify and evaluate any local amendments to the building code for impacts on housing costs.	Building Code/202	<u>Building Codes</u> : Expanded the Building Code analysis to identify and evaluate locally adopted codes, including the recently adopted reach codes.
<u>Fees and Exaction</u> : The element provides a cumulative analysis of fees on various housing types but should also list all the various planning and impact fees, including to better evaluate the impacts on housing development costs. The element should also include a specific analysis on ADU impact fees as a constraint to ADU production.	Development Review and Permitting Procedures/195-196, 199	<u>Fees and Exaction</u> : In addition to discussing current school fees, the Housing Element provides a summary of planning and development impact fees in Table 67 (Planning Related Fees) and Table 68 (Development Impact Fees). In 2021/2022, fees were compared to other cities in Santa Clara County, resulting in Table 69 (Total Fees per Unit, Regional Comparison), and Table 70 (Fees as Percentage of Total Development Costs, Regional Comparison). Fees in Gilroy generally fall in the mid-range comparatively. Furthermore, development has not slowed following fee increases in 2022, indicating that Gilroy's fees are reasonably set and do not represent a constraint on development. ADU impact fees are discussed in the Constraints chapter.

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		The City modified Program A-8 (Financial Incentives for Affordable ADUs) to evaluate ADU impact fees as a potential constraint for affordable housing.
<u>On/Off Site Improvements:</u> The element states the City requires on and off-site improvements but should also identify subdivision level improvement requirements for a typical development, such as minimum street widths (e.g., 40-foot minimum street width), and analyze their impact as potential constraints on housing supply and cost. For additional information and a sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/codes-and-enforcement-and-onsite-offsite-improvement-standards.	On/Off Site Improvement Requirements/202-205	<u>On/Off Site Improvements:</u> Expanded the discussion of on- and off-site improvement requirements to include analysis of subdivision level improvement requirements for a typical development. Based on recent proposals submitted and entitled citywide for a range of housing types, the City's residential site improvement requirements do not create an undue constraint on residential development.
<u>Local Processing and Permit Procedures:</u> The element lists procedural steps for permits but should also analyze the procedures for a typical single family and multifamily development complying with zoning. The analysis should address the approval body, the number of public hearing if any, approval findings and any other relevant information. The analysis should address impacts on housing supply (number of units), cost, feasibility, timing and approval certainty.	Administrative vs. Discretionary Planning Permits/192 Program B-5/277	<u>Local Processing and Permit Procedures:</u> Expanded the analysis on development review and permitting procedures to include the administrative vs discretionary permitting procedures for single-family, multi-family, and planned unit development projects. The City modified Program B-5 (Permit Streamlining) to modify the City's Zoning Ordinance to streamline the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council. This should reduce the planning permit process by approximately two months.
<u>Constraints on Housing for Persons with Disabilities</u> <u>Reasonable Accommodation:</u> The element describes the reasonable accommodation procedure (p. 158) but should specifically analyze decision-making criteria such as approval findings. For example, the procedure includes a decision-making factor of potential impacts on surrounding uses – a conditional use permit (CUP) finding which can acts	Reasonable Accommodation Procedures/201, Program E-10/292	<u>Constraints on Housing for Persons with Disabilities</u> <i>Reasonable Accommodation:</i> Added Program E-10 (Development and Rehabilitation of Housing for Persons with Disabilities) to evaluate the City's reasonable accommodation standards and procedures, and revise, as necessary, regulations that act as potential constraints to accommodating persons with disabilities.

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as a constraint. The element should analyze this factor and add or modify programs to address the constraint.		
<u>Constraints on Housing for Persons with Disabilities Group Homes:</u> The element indicates group homes for six or less persons and seven or more persons are excluded from the A zone, unlike single family uses. The element should analyze this as a constraint and include a program to address the constraint. Additionally, group homes for seven or more persons are subject to a CUP. The element should analyze the CUP requirement and add or modify programs to address the constraint.	Housing for Persons with Disabilities/200 Programs E-10/292	<u>Constraints on Housing for Persons with Disabilities Group Homes:</u> Added Program E-10 (Development and Rehabilitation of Housing for Persons with Disabilities) to evaluate and revise as necessary the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.
<u>Nongovernmental Constraints:</u> The element should include a discussion about requests for development at lesser densities than assumptions in the sites inventory. In addition, the element should include a discussion of the typical time between entitlement approval and requests for building permits. The discussion should address any hinderances on housing development and programs should be added as appropriate to address constraints.	Requests to Develop Below Anticipated Density/205-206	<u>Nongovernmental Constraints:</u> Expanded the discussion on requests to develop below the anticipated density and how this affects the assumptions in the sites inventory. Added discussion of the typical time between entitlement approval and requests for building permits.
<u>Energy Conservation:</u> The element must include analysis of energy conservation opportunities in residential development. The analysis should facilitate the adoption of housing element policies and programs. For example, programs could provide incentives to promote higher density housing along transit, encourage green building techniques and materials in new construction and remodels, promote energy audits and participation in utility conservation programs, and facilitate energy conserving retrofits upon resale of homes. For additional information and sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-	Energy Conservation/212- 213	<u>Energy Conservation:</u> Included an energy conservation section to analyze energy conservation opportunities and existing programs in residential development in the City and County. In November 2022, the City adopted the 2022 California Building Code with local amendments. The reach code amendments (e.g., EV charging) were based on the model code amendment initiated by Silicon Valley Clean Energy and incorporated adjustments resulting from outreach and stakeholder input from the local community. In early 2023, the City of Gilroy launched Solar Automated Permit Processing Plus (SolarAPP+), an online portal that simplifies and accelerates rooftop solar photovoltaic (PV) permitting processes, allowing residential solar photovoltaic systems to be installed quicker.

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development/housing- elements/building-blocks/opportunities-energy-conservation.		
<u>At-Risk Units:</u> The analysis of at-risk unit must estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately and does not have to contain a project-by-project cost estimate. The analysis should also reconcile the number of at-risk units with HCD's records. HCD will send a list of at- risk properties under separate cover.	Inventory of At-Risk Units/62-64	<u>At-Risk Units:</u> Updated Table 29 and the at-risk unit analysis, consistent with HCD records. The City also updated Table 30 regarding replacement costs.
HOUSING PROGRAMS		
<u>Sufficient Sites:</u> As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.	Programs A-1, A-2, and A-6/265-266, 268	<u>Sufficient Sites:</u> Revised Program A-1 (No Net Loss Inventory and Monitoring) to include the addition of a no net loss inventory list; revised Program A-2 (Surplus Lands/Affordable Housing on City-Owned Sites) to proactively advertise City-owned lands to affordable housing providers, the Santa Clara County Office of Supportive Housing, and developers of special needs housing; Program A-6 (ADU Tracking and Monitoring) was amended to include an update to the ADU strategy if annual production and affordability rates do not match the estimates included in the Housing Sites and Resources chapter; modified Program A-10 (Facilitate Missing Middle / Middle Income Housing) to provide more flexibility in the type of units allowed under SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Added Program E-12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) to allow 100% Residential in the Downtown Expansion District and provide flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households.
<u>Program A-2 (City-owned Lands):</u> The Program should go beyond reviewing parcels and commit to a schedule of actions to facilitate development, including numerical objectives.	Program A-2/ 266	<u>Program A-2 (City-owned Lands):</u> Program A-2 (Surplus Lands/Affordable Housing on City-Owned Sites) was modified to include a goal of developing at least 21 lower-income units through the Surplus Lands Act and to review the entire list of City owned sites by the end of

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		Q4 2025 to determine which additional sites could be declared as surplus. This program also commits the City to proactively advertise any surplus land opportunities to affordable housing providers, the Santa Clara County Office of Supportive Housing, and developers of special needs housing (e.g., extremely low income, disabled, farmworker housing), when they become available.
<u>Program E-3 (Emergency Shelter Zoning)</u>: The Program should be modified with specific commitment to amend zoning based on the outcomes of a complete analysis as noted in Finding A3. Specific commitment includes listing the actual standards that will be revised. In addition, the Program should specifically commit to permit emergency shelters without discretionary action.	Program E-3/289	<u>Program E-3 (Emergency Shelter Zoning)</u>: On May 1, 2023, the City Council considered the first reading of an Ordinance to amend the City's existing emergency shelters regulations to allow emergency shelters by-right in the City's R4 and new mixed-use zone along 1st Street by removing the conditional use permit requirement in those zones. The definition of emergency shelter was amended to include "other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care". The revisions also remove the reference to families and amend standards related to on-site management, waiting and intake areas, and parking based on the number of staff only. This action implements Program E-3 (Emergency Shelters) and the requirements of Chapter 654, Statutes of 2022 (AB 2339) and Government Code Section 65583(a)(4). Once approved, the revised Ordinance would take effect prior to the end of HCD's 60-day review period (approximately mid-June).
<u>Program D-4 (Pursue Funding for Affordable Housing)</u>: The Program should specifically commit to annual outreach with affordable housing developers to identify development opportunities and provide assistance such as supporting funding application, providing funding, incentives and concessions beyond SDBL, fee waivers and priority processing.	Program D-4/287	<u>Program D-4 (Pursue Funding for Affordable Housing)</u>: Program D-4 was amended to reference the use of PLHA funds for eligible activities, including the predevelopment, development, acquisition, rehabilitation and preservation of affordable housing. Amendments also commit the City to meet with affordable housing developers to identify development opportunities and provide support for funding applications, consider incentives and concessions beyond SDBL, and provide priority processing.
<u>Extremely Low-income and Special Needs Households</u>: Programs must be revised or added to assist in the development of housing for ELI and special needs households. Program actions could include assisting with funding applications, prioritizing some funding for housing developments,	Programs E-11 and G-1/293, 299	<u>Extremely Low-income and Special Needs Households</u>: In addition to the changes to Program D-4 noted above, the City added Program E-11 (Housing For Extremely Low Income and Special Needs Households) to commit to specific annual outreach with affordable housing developers to identify development opportunities, provide site

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offering financial incentives or regulatory concessions to encourage the development of housing types, such as multifamily, single-room occupancy (SRO) units. For additional information, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs .		information, assist in the entitlement processes, and consider on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards. Program G-1 (Collaboration with Development Community) was amended to specifically contact affordable housing developers and developers of special needs households for their participation in the annual developer roundtable meeting, with the goal of at least four participating in the annual roundtable.
<u>Farmworkers</u> : The element should include specific commitment to address the needs of farmworkers. For example, the element could commit to proactive actions to coordinate with nonprofit developers, employers, and other related organizations, to explore funding and incentives and to identify specific development opportunities.	Program E-7/291 Program E-11/293	<u>Farmworkers</u> : In November and December 2022, the City of Gilroy worked with staff from the Ochoa Migrant Camp to survey resident farmworkers. Twenty-six (26) surveys were completed by the farmworkers with assistance from bilingual staff at the Migrant Camp. Feedback from the farmworkers was summarized in the Special Needs Groups section in the Housing Needs Assessment chapter of the Housing Element. The City of Gilroy modified Programs E-7 and E-11 to help facilitate needed housing for farmworkers who work in and surrounding Gilroy. Program E-7 (Development and Conservation of Housing for Farmworkers) was modified to add the following commitment: At least once a year, the City will forward information about City-owned land and other development opportunities to developers and service providers who may be interested in developing more farmworker housing in Gilroy. Program E-11 (Housing for Extremely Low Income and Special Needs Households) was added to commit to specific annual outreach with affordable housing developers to identify development opportunities. Eden Housing which manages three (3) farmworker housing development in Gilroy is included on the list. Program E-11 also identifies PLHA funding as a potential source for the development of farmworker housing.
<u>Governmental and Nongovernmental Constraints</u> : As noted in Finding A4, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.	Governmental Constraints/ beginning 168 Programs/ beginning 265	<u>Governmental and Nongovernmental Constraints</u> : The City expanded the Constraints chapter as noted elsewhere in this response matrix. New programs were added, and existing programs were amended to remove governmental constraints to housing production. Program A-6 (ADU Tracking and Monitoring) was amended to require a focus group event with local stakeholders in spring or fall 2026 to identify appropriate ADU programs to help increase production if annual production and affordability rates do not match RHNA estimates. Program A-8 (Financial Incentives for Affordable ADUs) was

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		amended to evaluate ADU impact fees If ADU production is lower than anticipated. Program A-10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size. Program A-15 (ADU Ordinance Updates) was amended to replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County and to increase the allowable floor area from 1,000 square feet to 1,200 square feet. Program A-16 (SB 9 Processing) was added to update the City's SB 9 webpage to include step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy. Program B-3 (SB35/SB330) was amended to include the creation of checklists and instructions for reviewing and approving SB 35 and SB330 projects. Under Program B-7 (Zoning Ordinance update) the City will evaluate development standards for all zones including the Downtown Specific Plan zones for potential governmental constraints. Under Program B-9 (Building Department Webpage), the City will update the Building Department webpage to include information required pursuant to AB 2234, which should help reduce applicant time and cost and increase certainty. Under Program B-10 (Zoning Code Annual Updates), the City will establish a process to update City policies, codes and ordinances to comply with new State laws affecting housing and land use. Under Program E-3 (Emergency Shelters), the City has drafted an update to the zoning ordinance to comply with Assembly Bill (AB) 2339, AB 139, and Government Code Section 65583(a)(4) regarding emergency shelters. Program E-12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) will allow 100% Residential in the Downtown Expansion District and allow flexibility for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households.
<u>AFFH</u>: As noted in Finding A1, the element must include a complete analysis of AFFH. The element must be revised to add goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions	Table 57: AFFH Actions Matrix/157-166 Programs/ beginning 265	<u>AFFH</u>: Program A-10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on all corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size to encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Programs A-11 (Inclusionary Policy) and A-12 (Incentives Beyond Density Bonus State Law) will facilitate affordable housing opportunities in the City's higher resource / higher income

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must have specific commitment, milestones, geographic targeting and metrics or numeric objectives and, as appropriate, must address housing mobility enhancement, new housing choices and affordability in higher opportunity or income areas, place-based strategies toward community revitalization and displacement protection.		areas. Under Program E-10 (Development and Rehabilitation of Housing for Persons with Disabilities), the City will evaluate and revise standards and procedures related to reasonable accommodation and residential care homes (i.e., group homes). Program F-3 (Place-Based Improvements in Downtown Gilroy) will improve conditions in the City's R/ECAP area. Program G-2 (Community Outreach and Inclusion in the Decision-Making Process) includes geographic targeting in the R/ECAP area. Similarly, Program G-4 (Increased Outreach in Downtown Areas) directs the city to consider the viewpoints and concerns of all neighborhoods within Gilroy, and specifically the R/ECAP area when drafting Area Plans. Under Program G-7 (Bilingual Engagement), the City will increase Spanish language engagement given the City's large Hispanic population which is further facilitated by the recent expansion of the City's bilingual pay benefits, which should increase the number of bilingual staff available to assist the Spanish-speaking community.
<u>Program A-6 (ADU Tracking and Monitoring)</u> : While the Program commits to annually track ADU production, it should also track ADU affordability and should include discrete timing and specific commitment if ADU assumptions are not realized such as committing to additional incentives and rezoning within six months.	Programs A-6 and A-15/268, 274	<u>Program A-6 (ADU Tracking and Monitoring)</u> : Program A-6 was modified to include the following commitment identifying discrete timing and specific commitments: If the average ADU production is less than 25 units in years 2023, 2024, and 2025, the City will update the ADU strategy by the end of 2026. In this case, the City will hold a focus group event with local stakeholders in spring or fall 2026. The purpose of the collaborative meeting will be to identify appropriate ADU programs to help increase production. If necessary, the City will identify additional RHNA sites in No Net Loss Inventory, as discussed in Program A-1.
<u>Quantified Objectives</u> : While the element includes quantified objectives for new construction, rehabilitation, and conservation by income group; it should consider quantified objectives for conservation (beyond at-risk preservation). For your information, the quantified objectives do not represent a ceiling, but rather set a target goal for the City to achieve, based on needs, resources, and constraints.	Quantified Objectives/263	<u>Quantified Objectives</u> : Revised Table 86 to include a goal for conservation beyond just preservation numbers.

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<u>General Plan Consistency</u>: While the element discusses how internal consistency will be achieved with other elements of the general plan as part of the housing element update, it should also discuss how internal consistency will be maintained throughout the planning period. For example, the element could include a program to conduct an internal consistency review of the General Plan as part of the annual General Plan implementation report required by Government Code section 65400. The annual report can also assist future updates of the housing element. For additional information and a sample program, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/analysis-consistency-general-plan-and-coastal-zone-requirements.	Relationship to Other Elements and Plans/1 Program B-11/280	<u>General Plan Consistency</u>: Program B-11 was added to ensure that consistency between the General Plan and Housing Element is reviewed as part of the Annual Progress Report (APR), prior to April 1st of each year. As amendments are made to the General Plan, the City will also review and revise the Housing Element for ongoing consistency.
<u>Program E-1 (Priority Water and Sewer Service)</u>: If the City is the water or sewer provider, the Program should specifically commit to establish a written procedure to grant priority service to developments with units affordable to lower-income households. In addition, local governments are required to immediately deliver the housing element to water and sewer service providers.	Program E-1/289	<u>Program E-1 (Priority Water and Sewer Service)</u>: Modified Program E-1 (Priority Water and Sewer Service for Affordable Housing Developments) to specify that the City shall review and update, as necessary, the Water and Sewer Service Priority Policy to ensure future affordable projects will receive service priority. This policy is currently in place. Under Program E-1, the Housing Element will be provided to water and sewer service providers upon adoption.
<u>Public Participation</u>: While the element includes a general summary of the public participation process, it must also summarize the public comments and describe how they were considered and incorporated into the element. For additional information, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/public-participation.	Public Participation/1-10	<u>Public Participation</u>: The public participation process discussion in the Introduction chapter of the Housing Element was expanded to include summaries of public comments and how the comments were considered and incorporated into the Housing Element. Summaries of recent outreach efforts and survey results was also added.

CITY OF GILROY **HOUSING ELEMENT**

6TH CYCLE
2023 – 2031

HCD Review Draft #2
April 26, 2023



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Introduction

Purpose and Content

The City of Gilroy's 2023 – 2031 6th Cycle Housing Element has been prepared in compliance with the State of California Government Code Section 65302 and in conformance with the Housing Element Guidelines as established by the California Department of Housing and Community Development (HCD). This Housing Element sets forth the City's overall housing objectives in the form of goals, policies, and programs.

Relationship to Other Elements and Plans

This Housing Element identifies goals, policies, and programs that guide housing policy for the City for the 2023 – 2031 planning period. The goals, policies, and programs are consistent with the direction of the City's other General Plan elements, specifically the Land Use Element, Potential Hazards Element, and the Environmental Justice Element. Each goal is followed by one or more policies that are designed to provide direction to the policy makers that will enable progress toward the goals. Consistency will be reviewed as part of the annual General Plan implementation progress report as required under Government Code Section 65400. As amendments are made to the General Plan, the City will also review and revise the Housing Element for ongoing consistency. Listed after a discussion of the goals and policies are the programs designed to implement the specific goals and policies.

The Housing Element goals, policies, and programs aim to:

- Encourage the development of a variety of housing opportunities and provide adequate sites to meet the 2023 – 2031 Regional Housing Needs Allocation (RHNA).
- Assist in the development of housing to meet the needs of lower- and moderate-income households.
- Address and, where appropriate and legally possible, remove governmental constraints to housing development.
- Conserve, preserve, and improve the condition of the existing affordable housing stock.
- Promote equal housing opportunity for all residents to reside in the housing of their choice. These objectives are required by and delineated in State law (California Code Section 65583 [c][1]).

Public Participation

The City of Gilroy made a diligent effort to encourage public participation in the development of the Housing Element. Outreach for the Housing Element update began in 2021, starting with City Council public meetings to introduce the housing element update process and to get initial

feedback on potential programs for inclusion in the housing element. The City of Gilroy also participated in a regional (virtual) outreach meeting through the Santa Clara County Collaborative that included residents and stakeholders from Gilroy, Morgan Hill, and the County of Santa Clara; approximately 20 attendees participated in the Gilroy breakout room. Targeted outreach began in January 2022. This involved engaging a diverse group of people in the planning process, including community members, stakeholders, service providers, educators, and the Planning Commission and City Council in identification of Gilroy's Housing Element housing issues and goals.

Additional details about the public outreach process can be found in the Affirmatively Furthering Fair Housing Chapter. In summary, the public participation program included:

- **Website.** An interactive housing element update website, launched in February 2022 and accessed through the City's webpage, which included a description of the project, how to provide input, workshop dates and video recordings, a link to the Housing Element update survey, FAQs, and the draft Housing Element.
- **Surveys.** A bilingual (Spanish) online community survey was heavily promoted through email list notification, project website, flyers, stakeholder interviews, community workshops, and handed out in person.
- **Stakeholder Interviews.** Four focus groups were held on Tuesday, March 29 at 1:00 p.m.; Tuesday, April 5 at 1:00 p.m.; Thursday, April 7 at 1:00 p.m.; and Tuesday, April 12 at 10:00 a.m. to gather input from community members and housing service providers.
- **Community workshops.** Two bilingual virtual community workshops were held on Wednesday, March 30, 2022 at 6:00 PM, and Tuesday, June 28, 2022 at 6:00 PM. The website was updated to include information about the community meetings and the project planner sent emails to notify individuals on the mailing list which included stakeholders, community service providers, and members of the public. The links to both the English and Spanish language presentation video recording were posted on the Housing Element Update website.
- **Equity Advisory Group Meeting.** On August 23, 2022, the City gave a presentation to the Santa Clara County Equity Advisory Committee. The purpose of the presentation was to provide a brief summary of Gilroy's demographics and housing trends, including income levels and housing inventory. The meeting also included a summary of public outreach efforts, survey results, and stakeholder feedback. Staff also introduced the draft housing goals, a snapshot of some of the proposed housing programs, and a look at the RHNA sites inventory map. The session also included questions and answers related to the Housing Element. The Equity Advisory Committee consists of 15 community-based organizations that represent and/or serve the County's diverse community. They include organizations that represent ethnic communities, provide direct services including housing assistance, or work on housing-related issues.

- **Study Session.** One bilingual joint study session with the Planning Commission and City Council was held on August 29, 2022 at 6:00 PM. All the efforts of notifying the public that were made for the two community meetings were repeated for the joint study session. The links to the presentation video recording were posted on the Housing Element Update website. The joint study session focused primarily on RHNA site strategy, housing issues, and proposed programs included in the Housing Element. It included a robust discussion of housing issues and responsive programs to meet the needs of all Gilroy residents. The meeting was well attended by both Spanish and English-speaking residents and stakeholders.
- **Public Draft Community Meeting.** One virtual community meeting was held on Tuesday, September 27, 2022 at 6:00 PM. The link to the presentation video recording was posted on the Housing Element Update website. The meeting provided the community with a high-level overview of the Draft Housing Element chapters and appendices, the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact on housing production, removal of governmental constraints, and meeting special housing needs.
- **Public Draft City Council and Planning Commission Public Hearings.** Following the release of the first public draft, the City held two in-person public hearings. The public hearings were held Monday, October 17, 2022 at 6:00 PM (City Council) and Thursday, October 20, 2022 at 6:00 PM (Planning Commission). The purpose of the meetings was to provide the public and the City's decision makers with another opportunity to provide comments and suggestions prior to sending the draft to the California Department of Housing and Community Development for their review.
- **Farmworker Outreach.** In November and December 2022, the City of Gilroy worked with staff from the Ochoa Migrant Camp to survey resident farmworkers. Twenty-six (26) surveys were completed by the farmworkers with assistance from bilingual staff at the Migrant Camp. Feedback from the farmworkers was summarized in the Special Needs Groups section in the Housing Needs Assessment chapter of the Housing Element. The City of Gilroy also modified Programs E - 7 and E - 11 to help facilitate needed housing for farmworkers who work in and surrounding Gilroy.
- **Youth Commission and Gavilan College Outreach.** On December 12, 2022, City staff attended the Gilroy Youth Commission meeting to discuss the Housing Element update, answer questions, and gather feedback from youth in attendance (~15 to 18 years old). City staff also asked those in attendance to complete the online housing survey and to ask their friends and older siblings to complete the survey. In an effort to reach out to the young adult community, City staff reached out to members of the Associated Students of Gavilan College (ASGC) student body. Eight (8) surveys were completed by the Youth Commission and Gavilan College community.

- **Seniors Outreach.** On January 25, 2023, City staff made a brief presentation to seniors at the Gilroy Senior Center, informing them about the Housing Element and gathering feedback. Nineteen (19) surveys were completed by seniors in attendance.
- **Intellectually and Developmentally Disabled Outreach.** On January 24, 2023, the City held a virtual meeting with Housing Choices and intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), informing them about the Housing Element and gathering verbal feedback. On February 15, 2023, the City also met with and gathered verbal feedback from I/DD residents, caregivers, and staff at Villa Esperanza, a facility that provides low-income apartment units and services for persons with disabilities.

Summary of Comments Received

During the initial outreach process (prior to the release of the public draft) the City heard comments ranging from: difficulty paying rent, mortgage or down payment; homelessness; and insufficient housing supply including affordable housing, farm-worker housing, and preference on locations for future housing. Many of the programs proposed as well as the RHNA sites inventory in the 2023-2031 Housing Element reflect the community input. In summary, the community engagement and input yielded the following themes and feedback:

- **Affordability:** Participants expressed the difficulties to afford homes and rent in Gilroy and the larger region; specifically identifying first time home buyers, farm workers and seniors as key impacted groups. Participants expressed concern that Gilroy incomes are lower comparatively to the regional median; therefore, housing that may be affordable for the surrounding region may not be affordable for Gilroy residents. Program A - 11 consists of the development of an Inclusionary Housing Policy to establish inclusionary housing requirements so that new developments reserve a percentage of the total units for lower- and moderate-income households.
- **Importance of Investment in East Gilroy:** Participants noted a disparity in housing and quality of infrastructure and amenities between the east side and west side of the City. Participants noted the importance of investing in downtown to provide access to necessary resources and adequate infrastructure concurrently with housing development. Program F - 3 is included to ensure place-based investments and improvements are occurring in the eastern areas of Gilroy, especially in the downtown area.
- **Education and Outreach:** Participants expressed a lack of community engagement and education on affordable housing, accessory dwelling units (ADUs), available housing services and programs, and housing policy. Programs G - 2, G - 3, G - 5, and G - 8 implement outreach and education strategies to increase community awareness about ADUs, housing resources, and available fair housing support. Program G - 4 provides focused outreach in the downtown area.

- **Prioritizing Extremely Low-Income Housing:** Participants addressed the need for prioritizing development of extremely low-income units. Additionally, residents expressed the need to prioritize the allocation of these extremely low-income units to existing Gilroy residents. Program A - 12 considers adopting an incentives beyond density bonus state law program that targets extremely low-income populations and other special needs. Program E - 9 is included to develop a priority system for current residents of Gilroy and individuals working in Gilroy to inhabit these special needs households.
- **Disparity of income between the City and the larger region.** The large difference between the median income in the City and the regional area median income (AMI) was frequently noted in outreach. The difference was \$33,871 (24%) in 2020. Participants expressed the inability to afford lower-income units based on the AMI category income limits. Program E - 9 is included to develop a priority system for the allocation of extremely low-income units, including prioritizing current residents of Gilroy.

A summary of outreach is also provided in the Housing Needs Assessment and Affirmatively Furthering Fair Housing chapters. For complete survey results and additional detail on outreach, see Appendix C: Outreach.

Public Comments on the September 12, 2022, Draft Housing Element Update

The City of Gilroy held a 30-day public review period on the draft Housing Element from September 12, 2022, to October 12, 2022. Twenty-two comment letters and emails were received between January and October 12. The City received two (2) additional comment letters following the end of the 30-day review period. The City of Gilroy received comments from affordable housing advocates and residents. Concerns included RHNA sites analysis, community engagement, and program enhancements. While generally supportive of the City's draft Housing Element efforts, several comments requested additional or enhanced programs as well as additional analysis or rationale on the site selection. Many of the suggested programs were included in some variation in the draft housing element. Program examples include enhancing the ADU program, seeking more grants and technical assistance, and enhancing community engagement and education.

Comments fell into several categories including:

- ADU promotion and incentives (see Program A - 6 and A - 7)
- Tools, techniques, and funding sources to increase affordable housing (see Program D - 1, D - 2, D - 3, D - 4, and D - 5)
- Streamline permit process (see Program A - 9 and B - 5)
- Provide rationale for RHNA sites and how they Affirmatively Further Fair Housing and the needs of Gilroy (addressed in the AFFH and Needs Assessment sections)

- Expand on community and stakeholder engagement process (see Program G - 1 and G - 2)
- Displacement and tenant protections (See Program F - 5)

ADUs

Commenters called for more programs and incentives for ADU production and affordability, through methods like reduction of development standards and incentives for below market rate units. Commenters also suggested funding programs for ADU production through a Community Development Financial Institutions Fund (CDFI) program. The original draft included Program A - 6 to track and monitor its ADU production to ensure that annual production matches the RHNA assumption. Program A - 7 commits the City to providing pre designed plans to expedite development review as an incentive to production. In response to public comments received on the draft, the City added a new ADU program (A - 8) which creates a financial assistance program for homeowners who build ADUs with an affordability restriction. The City added program A - 15 (ADU Ordinance Updates) which directs the City to update the zoning ordinance to conform to current state law regarding ADUs. Under this program, the City will replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will streamline the process for approving ADUs in the City of Gilroy. To further incentivize ADU production, the City will increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet. The City also modified its ADU Education Program (G - 3) by including an effort to consolidate its building department and planning department ADU webpages into one so that all ADU information is in one single place online.

Affordable Housing Incentives and Funding

Several commenters expressed a desire for the City to include examples of funding sources and other tools to support and incentivize the development of affordable housing, such as grants through the Metropolitan Transportation Commission and the Association of Bay Area Governments. The original draft included Programs D - 1, D - 2, D - 3, D - 4, and D - 5 to support housing developers and homeless service providers in financing the development of affordable housing. Program D-2 was amended to include the Metropolitan Transportation Commission and the Association of Bay Area Governments as additional funding sources. As noted above, the revised draft submitted to HCD also includes Program A - 8 which creates a financial assistance program, for homeowners who build ADUs with an affordability restriction.

Permitting

A number of the letters expressed concerns regarding the development process in the City and the constraints that result from the process. Commenters recommended several strategies to improve the transparency and turn-around time for getting permits approved. The original draft included Programs B - 5 to streamline the permitting process for affordable housing and Program A - 9 that implements a new online permitting system. The revised draft

submitted to HCD includes Program B - 8 which creates an Entitlement Roadmap Webpage on the City's website that provides simple and clear information on how to navigate the City's permitting process, including projects that can be approved ministerially or through a staff level administrative process.

Engagement and Education

Commenters called for a more extensive community engagement process to reach as many stakeholders as possible and keep them involved throughout the process. Commenters iterated the importance of the promotion and education on housing programs and resources and provided strategies to address this topic. The original draft included Program G - 1 and G - 2 to create education and awareness and to enhance the City community outreach strategy and relations. The revised draft submitted to HCD adds three new programs to improve engagement and education (G - 6, G - 7, and G - 8). Program G - 6 consists of educating the public on homelessness, consolidating information on resources for the unhoused population, and restarting monthly meetings of the unhoused service providers group. Program G - 7 increases bilingual services and advertises the City of Gilroy's collective bargaining bilingual pay benefit to attract new staff that can assist the Spanish-speaking community in the City. Program G - 8 creates a Help Center Webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid.

Tenant Protections

Anti-displacement and tenant protections were prominent issues discussed by commenters. Several programs were suggested to address these concerns, including tenant relocation assistance, eviction reduction, security deposit limits, Fair Chance Ordinance, legal assistance, and first refusal to purchase. The City amended Program F - 5 to include organizing a focus group to explore displacement prevention policies and completing an analysis of best practices in jurisdictions that are similar to Gilroy, within approximately two years of Housing Element adoption.

Program Changes in Response to Public Comment

In response to public comment the City made a number of additions and changes to its programs during the 10-day revision period in October 2022. The following additions and changes were made to programs to accommodate the needs of the community.

- Modified Program A - 6 (ADU Tracking and Monitoring and Ordinance Updates) to include the commitment to coordinate with HCD and revise the ADU ordinance in conformance with state law.
- Added Program A - 8 (Incentives for Affordable ADUs) to develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers, upon securing adequate funding for the program.

- Modified Program A - 11 (Inclusionary Housing Policy) to include a requirement that developers market both Below-Market-Rate (BMR) units and accessible/adaptable units in developments.
- Modified Program A - 12 (Incentives Beyond Density Bonus State Law) to include households with intellectual and developmental disabilities as a special needs group to consider in the expanded program. The City also noted that the Inclusionary Policy could be structured like a Density Bonus program with incentives that are tiered by level of affordability provided.
- Added Program A - 14 (Coordination with Santa Clara Office of Supportive Housing) to continue the partnership regarding the development of affordable housing on the property at 8th and Alexander, including offering impact fee waivers.
- Added Program B - 8 (Entitlement Roadmap Webpage) to develop a website to provide clear and simple information about the City's permitting process for residential development. Information will include a flow chart, FAQs, live links, and application forms.
- Modified Program D-2 (Funding Sources to Assist Homeownership) to include the Metropolitan Transportation Commission and the Association of Bay Area Governments as additional funding sources.
- Modified Program E 6 (Reduced Parking Requirements for Senior Housing) to include discussion of AB 2097 which prohibits minimum parking requirement for projects within one half-mile of public transit.
- Modified Program F - 5 (Displacement Prevention Policy) to include organizing a focus group to explore displacement prevention policies and completing an analysis of best practices in jurisdictions that are similar to Gilroy.
- Modified Program G - 3 (ADU Education) committing the City to consolidate its two ADU webpages into one page, so that all ADU information is located in a single location.
- Added Program G - 6 (Unhoused Population Education and Outreach) to educate the public about the unhoused population and homelessness in the City. The program develops a dedicated website on homelessness, creates printed information for distribution at City Hall and by code enforcement officials in the field, posts resources for the unhoused population on the City website, and commits the City to restarting the unhoused service providers group meetings.
- Added Program G - 7 (Bilingual Engagement) to increase availability of bilingual outreach materials and advertise the City of Gilroy's collective bargaining bilingual pay benefit to attract new staff that can converse with the City's Spanish-speaking population.

Program Changes in Response to HCD Comments

Sufficient Sites. The City revised Program A-1 (No Net Loss Inventory and Monitoring) to include the addition of a no net loss inventory list; revised Program A - 2 (Surplus Lands/Affordable Housing on City-Owned Sites) to advertise City-owned lands to affordable housing providers, the Santa Clara County Office of Supportive Housing, and developers of special needs housing; Program A - 6 (ADU Tracking and Monitoring) was amended to include an update to the ADU strategy if annual production and affordability rates do not match the estimates included in the Housing Sites and Resources chapter; modified Program A - 10 (Facilitate Missing Middle / Middle Income Housing) to provide more flexibility in the type of units allowed under SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Added Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) to allow 100% Residential in the Downtown Expansion District and provide flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households.

Governmental Constraints. New programs were added, and existing programs were amended to remove governmental constraints to housing production. Program A - 6 (ADU Tracking and Monitoring) was amended to include an update to the ADU strategy if annual production and affordability rates do not match the estimates included in the Housing Sites and Resources chapter. Program A - 8 (Financial Incentives for Affordable ADUs) was amended to evaluate ADU impact fees if ADU production is lower than anticipated. Program A - 10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size. A-15 (ADU Ordinance Updates) was amended to replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County and to increase the allowable floor area from 1,000 square feet to 1,200 square feet. A - 16 (SB 9 Processing) was added to update the City's SB 9 webpage to include step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy. Program B - 3 (SB35/SB330) was amended to include the creation of checklists and instructions for reviewing and approving SB 35 and SB330 projects, and Zoning Ordinance amendments to ensure that any demolished units shall be replaced pursuant to Government Code Section 65915(c)(3) and Government Code Section 65583.2(g). Under Program B - 7 (Zoning Ordinance update) the City will evaluate development standards for all zones including the Downtown Specific Plan zones for potential governmental constraints. Under Program B - 9 (Building Department Webpage), the City will update the Building Department webpage to include information required pursuant to AB 2234, which should help reduce applicant time and cost and increase certainty. Under Program B - 10 (Zoning Code Annual Updates), the City will establish a process to update City policies, codes and ordinances to comply with new State laws affecting housing and land use. Under Program E - 3 (Emergency Shelters), the City has drafted an update to the zoning ordinance to comply with Assembly Bill (AB) 2339, AB 139, and Government Code Section 65583(a)(4) regarding emergency shelters. Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) will allow 100% Residential in the Downtown Expansion District and allow flexibility

for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households.

Affirmatively Furthering Fair Housing (AFFH). Program A - 10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on all corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size to encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Programs A - 11 (Inclusionary Policy) and A - 12 (Incentives Beyond Density Bonus State Law) will facilitate affordable housing opportunities in the City's higher resource / higher income areas. Under Program E - 10 (Development and Rehabilitation of Housing for Persons with Disabilities), the City will evaluate and revise standards and procedures related to reasonable accommodation and residential care homes (i.e., group homes) as necessary to remove governmental constraints. Program F - 3 (Place-Based Improvements in Downtown Gilroy) will improve conditions in the City's R/ECAP area. Program G - 2 (Community Outreach and Inclusion in the Decision-Making Process) includes geographic targeting in the R/ECAP area. Similarly, Program G - 4 (Increased Outreach in Downtown Areas) directs the city to consider the viewpoints and concerns of all neighborhoods within Gilroy, and specifically the R/ECAP area when drafting the High-Speed Rail Station Area Plan and when updating the Downtown Specific Plan. Under Program G - 7 (Bilingual Engagement), the City will increase Spanish language engagement given the City's large Hispanic population which is further facilitated by the recent expansion of the City's bilingual pay benefits, which should increase the number of bilingual staff available to assist the Spanish-speaking community

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE REVIEW OF PAST ACCOMPLISHMENTS

Review of Past Accomplishments

California Government Code Section 65588(a) requires that each jurisdiction review its housing element as frequently as is appropriate and evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.
- The effectiveness of the housing element in attainment of the community's housing goals and objectives.
- The progress in implementation of the housing element.

According to the State HCD, the review is a three-step process:

- Review the results of the previous element's goals, objectives, and programs. The results should be quantified where possible but may be qualitative where necessary.
- Compare what was projected or planned in the previous element to what was actually achieved. Determine where the previous housing element met, exceeded, or fell short of what was anticipated.
- Based on the above analysis, describe how the goals, objectives, policies, and programs in the updated element are being changed or adjusted to incorporate what has been learned from results of the previous element.

Housing Production

The City of Gilroy had a total RHNA allocation of 1,088 units in the 5th Cycle. As of December 2022, 2,605 units have been permitted during the 5th Cycle, exceeding the overall allocation by 1,517 units. About 60 percent of these new units were affordable to above-moderate incomes. The City produced nearly five (5) times (490%) the low-income allocation, approximately 46% of its moderate-income allocation, and approximately 68% of its very-low income allocation. There is a remaining RHNA need of 75 very low-income units and 117 moderate income units. The following table includes data through the end of 2022, consistent with the 2022 annual progress report submitted to HCD.

Table 1: 5th Cycle RHNA Progress (2015 through 2022)

	Very Low	Low	Moderate	Above Moderate	Total
5 th Cycle RHNA Allocation	236	160	217	475	1,088
Building Permits Issued	161	785	100	1,559	2,605
Remaining Requirement	75	-	117	-	192

No Net Loss and Adequate Sites

The 2015 – 2023 Housing Element identified adequate capacity for its 5th Cycle allocation of units, identifying a surplus of 526 lower-income units and 960 above moderate- income units. Additionally, in 2020, the City updated its General Plan to increase densities for specified land use designations and allow mixed-use residential along the First Street commercial corridor. These amendments increased zoned capacity for all income levels in Gilroy.

The City reviewed its 5th Cycle sites, past approvals, and the Zoning Ordinance and determined that it has maintained adequate sites to meet the RHNA for all income levels throughout the 2015 – 2023 planning cycle.

Effectiveness at Assisting Special Needs Populations

This section reviews the City's progress on assisting populations with special housing needs during the 5th Cycle. The City of Gilroy supports the preservation of long-term housing stability and affordability. The City has received and allocated funding to improve access to needs that improve the quality of life among seniors, the homeless, and extremely low-income households during the 2015 to 2023 planning cycle.

Funding for housing, homeless services, and special needs populations during the 5th Cycle was provided through the federal Community Development Block Grant (CDBG) program, CDBG CARES ACT-Corona Virus (CDBG-CV), and the Housing Trust Fund (HTF).

CDBG Funding. For the 2021 – 2022 fiscal year funding cycle, the City allocated \$205,905 in CDBG funds toward community service needs, including senior services (\$17,560), youth services (\$38,452), health services (\$10,250), and home repair (\$140,000). For the 2022 – 2023 fiscal year, the City allocated \$205,452 in CDBG funds towards senior services (\$10,000), youth services (\$55,452), and home repair (\$140,000). Specific programs and recipients varied slightly between the two fiscal years.

CDBG-CV Funding. The City also allocated \$613,154 in CDBG-CV funds towards programming that would address the impacts resulting from the COVID-19 pandemic, including St. Joseph's Rental Assistance (\$287,309), small business assistance (\$225,486), and YMCA Healthy Food Delivery (\$100,359).

PLHA Funding. The City Council approved the replacement of the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service programs addressing basic needs and homelessness prevention. Although the HTF will no longer be made available for public service programs or rehabilitation purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

PLHA funding allocations are also based on priorities identified in the City of Gilroy 2020-2025 Consolidated Plan and 2020-2021 Annual Action Plan¹¹. High priority items identified in the plan include special needs services for the elderly, special need services for youth, homeless supportive services, and rehabilitation of existing affordable housing. By partnering with the County and a broad range of community-based organizations, the City is expanding homelessness prevention and basic needs services to assist Gilroy families and individuals who are experiencing, or at risk of, homelessness.

- The City received PLHA funding from the State through application and partnership with Santa Clara County. As a new resource, the City is implementing \$474,000 in program funds during the first two years of the PLHA Program. With \$110,000 over two years, St. Joseph's Family Center provides emergency rental assistance, utility assistance, and other supportive programs that help diminish the risk of becoming homeless.
- With \$40,000 over two years, Project Sentinel provides fair housing services and investigates complaints to address housing discrimination for Gilroy residents.
- With \$40,000 over two years, Project Sentinel provides a landlord-tenant counseling and dispute resolution program to help resolve housing conflict and protect Gilroy residents from displacement.
- With \$40,000 over two years, Community Agency for Resources Advocacy and Services provides rental and deposit assistance to prevent homelessness for Gilroy families and individuals.
- With \$80,000 over two years, South County Compassion Center provides services to unhoused Gilroy residents to meet their basic needs and to connect them with services that can help them attain permanent housing.
- With \$70,000 over two years, St. Joseph's Family Center provides training and employment readiness to prepare individuals that are homeless or at risk of homelessness for stability and greater self-sufficiency.
- With \$54,000 over two years, The Health Trust delivers meals to low income and homebound seniors at risk of food insecurity, allowing them to remain in their homes.

¹¹ City of Gilroy 2020-2025 Consolidated Plan and 2020-2021 Annual Action Plan.

<https://www.cityofgilroy.org/DocumentCenter/View/11526/City-of-Gilroy-2020-2025-Consolidated-Plan-and-AAP-FINAL>

- With \$40,000 over two years, Silicon Valley Independent Living Center provides Gilroy residents with disabilities counseling, emergency rental assistance, and housing search services to obtain safe, affordable, and accessible long-term housing.

As can be seen above, Gilroy is allocating and implementing federal and state grant funding to assist Gilroy's vulnerable communities and create safe and healthy neighborhoods for all. In general, these programs have been successful at providing new opportunities, resources, and procedures to assist special needs populations. The City is committed to furthering fair housing and supporting special needs populations and has included several programs in its 6th Cycle Element to further address the housing needs of all groups.

Accessibility Improvements

The need to revitalize older City infrastructure, particularly accessibility for elderly persons and persons with disabilities is identified as a top priority in the City's 2020 – 2025 Consolidated Plan and 2020 – 2021 Annual Action Plan. The Consolidated Plan further identifies accessibility improvements such as wheelchair ramps, curbing, and sidewalks as one solution to this need. In November 2021, the City awarded \$70,592 in CDBG funding to a consultant to design and prepare construction documents for off-site improvements in front of the Gateway Senior affordable Apartments, located at 6500 Monterey Road. The scope of work included design of a standalone HAWK (High-Intensity Activated Crosswalk) system for safe pedestrian crossing, design of two ADA compliance curb ramps and minor concrete work, and design of new striping for pedestrian crossing and safety. The full construction cost of the CIP project is estimated to be \$314,400. For the 2022-2023 fiscal year funding cycle, the City also allocated \$145,090 in CDBG funds toward improving sidewalks and curb ramps throughout the City.

Seniors and Residents with Disabilities

The City also identifies supportive services for seniors and persons with disabilities under the Special Needs section of the 2020-2025 Consolidated Plan. As noted above, the City allocated a portion of the CDBG funds and a portion of the PLHA funds towards senior services and residents with disabilities.

Over the two fiscal years from 2021 to 2023, CDBG funds included \$18,560 for the Live Oak Adult Day Care program and \$8,643 for the Meals on Wheels program which provides access to hot meal deliveries 5-days per week to people with disabilities and seniors who are unable to leave the house. Similarly, \$100,359 of the CDBG-CV funds were allocated towards the local YMCA's food distribution program for homebound seniors impacted by the COVID-19 pandemic and shelter in place orders.

Over the two-year period from 2022-2024, PLHA funds included \$54,000 for the Health Trust that delivers meals to low income and homebound seniors at risk of food insecurity, allowing them to remain in their homes, and \$40,000 for Silicon Valley Independent Living Center which provides counseling for Gilroy residents with disabilities, emergency rental assistance, and housing search services to obtain safe, affordable, and accessible long-term housing.

The Recreational Division at City Hall provides seniors access to a free Box/Dine in lunch in partnership with the YMCA at the Gilroy Senior Center on 7371 Hanna Street. Free groceries from the Second Harvest Food Bank are available at San Ysidro Park on 7700 Murray Avenue.

At-Risk Youth Services

The 2020 – 2025 Consolidated Plan also identified Gilroy's at-risk youth as a priority need for the City. Over the 2021 – 2023 (two-year) fiscal cycles, a portion of the CDBG funds discussed above were allocated towards Gilroy's at-risk youth. The Community Agency for Resources Advocacy and Services (CARAS) RYSE (Reaching our Young people to Succeed and Empower with Unlimited Potential) program received \$8,500 to provide support to at-risk young girls through crime prevention, gang intervention, youth empowerment, and recreational activities. The Boys and Girls Club Ochoa Clubhouse CORE Enrichment Program received \$8,500 to empower kids and teens to excel in school, become good community members, and lead healthy, productive lives through education, learning, the arts, health and wellness, character and leadership, sports and recreation, and workforce readiness. The Gilroy Youth Center received \$76,904 for engaging high-risk youth and their families with social, recreational and educational programs that support and enhance their quality of life through community-based recreation. The Gilroy Youth Center is a free program for income eligible residents, providing an after-school program during the school year and a day camp during the summer.

Unhoused Outreach

A portion of the PLHA funds and CDBG-CV funds discussed above was allocated towards homelessness prevention. The following agencies received PLHA Funding for FY 22-23 and FY 23-24: St. Joseph's Family Center received \$110,000 to provide emergency rental assistance, utility assistance, and other supportive programs that help diminish the risk of becoming homeless. St. Joseph's Family Center received an additional \$70,000 to provide training and employment readiness to prepare individuals that are homeless or at risk of homelessness for stability and greater self-sufficiency. Community Agency for Resources Advocacy and Services received \$40,000 to provide rental and deposit assistance to prevent homelessness for Gilroy families and individuals. South County Compassion Center received \$80,000 to provide services to unhoused Gilroy residents to meet their basic needs and to connect them with services that can help them attain permanent housing.

Through its CDBG-CV funds, the City provided \$287,309 in support to Saint Joseph's Family Center's Rental Assistance program. This program is designed to prevent homelessness through emergency rental assistance and deposits. The funds helped very-low-income tenants who have been impacted by COVID-19 with paying a portion of their rents to avoid eviction. The Program benefited an estimated 231 low-income individuals.

Farmworkers

Due to the seasonal nature of farm work, many households have a difficult time securing safe, habitable, and affordable housing. There are 56 dwelling units within Gilroy City limits to meet the permanent and seasonal housing needs of extremely low-income and low-income

farmworkers. These units are located in the following three (3) housing developments, owned and managed by Eden Housing:

- The Trees, with 14 units
- Aspen Grove, with 24 units
- Maple Gardens with 18 units

In addition, the Santa Clara County Housing Authority (SCCHA) provides 100 farmworker housing units through the Ochoa Migrant Center, located just outside of the Gilroy City boundary. The center serves as a migrant camp 8 months out of the year (April through November) for farmworkers and their families. There are 33 three-bedroom apartments and 67 two-bedroom apartments within the 100-unit development. During the off-season (mid-December through mid-March), the Ochoa Migrant Center provides temporary housing for the unhoused.

2015 – 2023 (5th Cycle) Housing Element Programs

This section illustrates the City of Gilroy's accomplishments and status in implementing the housing programs identified for the 2015-2023 5th Cycle, as well as the continued appropriateness of each program for the 2023-2031 6th Cycle. Programs that have been successfully completed or that consist of routine staff functions are marked as "remove," as these programs are no longer necessary for the 6th Cycle. Previous programs that are continued with no or minor modifications are marked as "continue." Finally, programs marked as "modify" or "consolidate" are programs that will be continued, but have updated goals and metrics, and may involve combining multiple existing programs into a single 6th Cycle program for ease of use and streamlining.

Table 2: Review of 2015 – 2023 (5th Cycle) Housing Element Programs

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING PRODUCTION						
H-1.A	Publicize Residential Sites Inventory	The City shall make the residential sites inventory available to developers by publicizing it on the City website and providing copies of the sites to developers. The City shall update the list of sites annually, or as projects are approved on the sites.	Post on website within 6 months of adoption; update annually, or as needed	The most recent Residential Vacant Land Inventory was completed in October 2022 and is available on the City's website.	Retain – modify to include clear objectives and additional developer outreach.	A - 4
H-1.B	Residential Development Ordinance	The City shall review and revise, as appropriate, the Residential Development Ordinance to ensure that it does not pose a constraint on the maintenance, improvement and development of housing; and provides capacity to meet the City's RHNA need. Furthermore, the City will encourage the development of housing that is affordable to a variety of income groups through the Residential Development Ordinance by comparing its features with the Neighborhood District Ordinance and making any changes to ensure the two policies are compatible.	Review of RDO following adoption of the New General Plan (estimated FY 2015/16)	Senate Bill 330, signed by the governor in 2019, prohibits a jurisdiction from implementing any provision that limits the number of approvals or permits or puts a cap on the number housing units that can be approved or constructed, or limits population. As a result, the Residential Development Ordinance is now null and void and will be repealed as part of the City's comprehensive zoning update in 2023.	Retain - modify: The RDO will be repealed as a part of the City's comprehensive zoning update in 2023.	B - 1

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-1.C	Variety of Housing in Neighborhood Districts	The City shall review and revise, as appropriate, the Neighborhood District Policy to ensure that it encourages the development of housing that is affordable to a variety of income groups by comparing its features with the Residential Development Ordinance and making any changes to ensure the two policies are compatible and designed to reach the same goals.	Review of Neighborhood District Policy in conjunction with the New General Plan preparation (estimated FY 2015/16)	The Residential Development Ordinance is no longer in effect. The 2040 General Plan includes a new higher density Neighborhood District designation, allowing a greater range of housing types from single family detached dwellings (0-7 du/ac) to higher density multi-family dwellings (16-30du/ac).	Retain – modify the Neighborhood District policy to eliminate any references to the RDO (see discussion above) and provide standards related to the new density ranges and affordable housing requirements.	A - 5
H-1.D	Facilitate Infill Development	The City shall coordinate efforts with private and non-profit developers, and other housing related groups to encourage the construction of residential development through a menu of regulatory incentives (e.g., streamlined review and other methods that will effectively encourage infill development). The City shall monitor infill development on a biannual basis to ensure the effectiveness of programs to encourage housing development. If, based on its biannual review, the City finds that additional programs are needed to facilitate infill development, the City shall revise programs as appropriate.	Monitor biennially starting in 2016	Between January 1, 2015 and December 31, 2022, the City permitted 2,605 new residential units. The City's residential development standards are generally very permissive. For example, single-family and multi-family residential projects that comply with objective development and design standards can generally be approved through a ministerial or administrative review process, without the need for public hearings. Furthermore, multi-family development is typically built with moderate to high densities, with higher densities allowed through	Retain – modify with a program that will "Facilitate Missing Middle Housing" by streamlining the entitlement process with a ministerial process for duplexes, triplexes and quadplexes in specified areas of the City, that meet objective design standards.	A - 9

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
				the State Density Bonus law.		
H-1.E	Monitor Permit Requirements, Processing Procedures and Land Use Controls	To ensure permit requirements and processing procedures do not constrain residential development, the City shall evaluate current requirements and procedures on a biannual basis. The City shall consult builders and other parties engaged in housing development activities to identify concerns. If permitting requirements are determined to be a constraint to residential development the City shall modify permitting requirements and/or procedures to address constraints, as feasible.	Biennial evaluation starting in 2016 and implement changes as appropriate	In 2020, the City awarded the contract for the purchase and implementation of a Land Management System to Tyler Technologies for the implementation of EnerGov to manage and track land development applications, business and professional licenses, special event permits, code enforcement cases, and fire prevention/pre-treatment/ hazardous materials management. The City and Tyler teams kicked off the project in September of 2020 with an anticipated "go-live" in 2023. Applicants will be able to check the status of their permit online and staff will have greater control over the workflow. The City also continues to hold development stakeholder roundtable meetings (virtual in 2020) to maintain a dialog with the Development Community. Topics included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan.	Retain - modify by splitting into two programs. One for the Land Management System Implementation and one that is streamlining the permit process as a part of the 2023 comprehensive Zoning Ordinance update	A - 8 and B - 5

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-1.F	Zoning to Encourage and Facilitate Single-Room Occupancy Units	The City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	Review and Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will include a definition for and regulatory standards addressing single-room occupancy units as part of the 2023 Zoning Update.	Retain - modify	E - 2
H-1.G	Study Micro-Units	The City shall conduct a study of the appropriateness of “micro-units” in Gilroy and the existing barriers in the Zoning Ordinance to the provision of micro-units. Based on the findings of the study, the City will make a determination of the appropriateness of micro-units in Gilroy and, if determined appropriate, identify methods for eliminating barriers, and establish appropriate development standards.	FY 2017/18	Not completed. The City will define “micro-units” in Gilroy as part of the 2023 Zoning Update.	Retain – modify The draft 2023 – 2031 Housing Element includes a program to develop incentives for micro-units which help contribute to the City’s affordable by design housing stock.	E - 5
AFFORDABLE HOUSING						
H.2.A	Develop Affordable Housing Incentives	The City shall review and revise, as appropriate, current incentives and regulatory concessions available to developers for the development of affordable housing throughout the city, and especially within the Downtown Gilroy Specific Plan area and Neighborhood District. Incentives and regulatory concessions may include, but are not limited to parking reductions, and reduced setbacks. The City shall also provide technical assistance, as feasible; information	Review incentives within 1-year of Housing Element adoption; revise, as appropriate; Monitor effectiveness of incentives and regulatory concession biennially, starting	Partially Complete. The City continues to monitor development in the Neighborhood District areas (e.g., Glen Loma) and the Downtown Specific Plan area and provide technical assistance to potential developers. The draft 2023-2031 Housing Element includes a program to	Retain – modify The draft 2023-2031 Housing Element also anticipates new development in the downtown area including	A - 10

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
		on State and Federal funding opportunities; and marketing to potential developers. The City shall continue to monitor development within the City's Downtown area on a biannual basis to ensure the implementation of the Specific Plan's policy on encouraging the development of a mix of retail, office and higher density residential uses. The City shall encourage the development of uses within the area to closely follow the recommended land use assumptions contained in the Specific Plan. If, based on its biannual review, the City finds that the proportion of residential uses to non-residential uses are not being developed as assumed in the Specific Plan, the City shall investigate additional incentives, concessions or assistance and revise programs as appropriate.	in 2016; Ongoing monitoring of development within Downtown Specific Plan.	adopt an Affordable Housing Policy. The City continues to seek grant funding to update the Downtown Specific Plan to ensure that the City's vision for the downtown is implemented.	affordable housing units	
H-2.B	Pursue Funding for Affordable Housing	The City shall pursue funding from State, Federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to: • One Bay Area Grants awarded by the Association of Bay Area Governments; • HCD Local Housing Trust Fund Program; • HUD Section 811 funding for supportive housing for extremely low-income residents; • The state Infill Infrastructure Grant program, sponsored by the Department	At least biennially, or as funding opportunities become available	The City evaluates funding opportunities as they arise and apply as appropriate. The City also facilitates public hearings on behalf of private developers who wish to seek tax credit financing for an affordable housing project.	Retain	D - 4

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
		of Housing and Community Development (HCD); and The State Multifamily Housing Program (MHP), sponsored by HCD.				
H-2.C	Community Development Block Grant Program	The City shall continue to administer the Community Development Block Grant Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homeless assistance, public services, and public improvements. The City shall continue to inform non-profit organizations of funding availability through the City's website and informational packets at City Hall.	Annually	The City continues to administer the CDBG program and funds eligible activities as funding allows. One such activity is a housing rehabilitation program that helps low income individuals with accessibility improvements. The city has provided a grant to Rebuilding Together Silicon Valley to operate and expand the Home Repair, Rehabilitation and Modification program in Gilroy. This program provides a wide range of home repair, accessibility, mobility and rehabilitation improvements for low income homeowners.	Retain	D - 5

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.D	Housing Trust Fund	The City shall continue to administer the City's Housing Trust Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing. The City shall continue to inform non-profit organizations of funding availability through the City's website and informational packets at City Hall.	Annually	Completed. During most of the 5 th cycle planning period, the City allocated Housing Trust funds towards housing-related activities. These activities include fair housing services, tenant landlord counseling services, and homeless prevention services. In 2022, the City replaced the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service addressing homeless basic need programs as well as programs that focus on homelessness prevention.	Retain – modify to reflect funds are from the PLHA rather than the Housing Trust Fund	D - 1

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.E	Funding Sources to Assist Homeownership	The City shall pursue potential sources of additional funding for homeownership assistance, including the availability of State HCD, CalHFA funds, HOME, and County funds. The City shall improve public outreach activities through the compilation of resources for down payment assistance, silent second mortgages, and other means of acquiring a home.	Development of resources for public dissemination by December 2015; ongoing review of additional funding sources	Partially completed. The City has posted on its website links to organizations who offer homebuyer assistance, including the Housing Trust of Silicon Valley, an organization that helps first-time homebuyers secure Below Market Rate (BMR) down payment assistance. On December 6 and December 8, 2022, the City co-hosted Spanish and English Webinars (respectively) to educate the public on the Santa Clara County Empower Homebuyers Down Payment Assistance Program. The webinar was co-hosted with the City of Morgan Hill and the Housing Trust of Silicon Valley.	Retain - modify	D - 2
H-2.F	Section 8 Referrals	The City shall continue to provide Section 8 referral services and information to City residents. The City shall make information on the Section 8 voucher program available on the City website.	Post on website by January 2016; provide referral on an ongoing basis	Completed. The City has posted on its website a link to the Housing Authority of Santa Clara County website. Here individuals can learn more about Housing Choice voucher eligibility and determine if the current waiting list is accepting any additional households.	Retain	D - 3

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.G	Development of Housing for Extremely Low-Income Households	The City shall review and incorporate appropriate regulatory incentives, financial incentives, and other policies that encourage the development of housing units for extremely low-income households. The City shall encourage and support the development of housing for extremely low-income households within future affordable housing projects through various strategies and programs that may include assistance with entitlement processing; and modifying development standards and granting concessions and incentives for projects that provide housing for lower income families.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Partially completed. The City continues to encourage developers to include extremely low-income units in their housing projects. Staff are available to meet with developers and discuss various incentives and concessions, consistent with State density bonus law.	Retain – modify by including an incentives beyond density bonus state law program with incentives for ELI households, and inclusionary housing policy.	A - 10 and A - 11
H-2.H	Water and Sewer Service Priority	The City shall review and update every five years, as necessary, the Water and Sewer Service Priority Policy to ensure future affordable projects will receive service priority.	Review every 5 years, starting December 2015	Completed. The Gilroy collection system includes about 140 miles of sewer mains. Policies in the new 2040 General Plan provide for reliable sewer service for all residents and businesses through a cooperative effort between the City and SCRWA. The General Plan also includes policies to ensure the provision of healthy, safe water for all users in Gilroy through facilities, policies, programs, and regulations.	Retain and Modify	E - 1

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING PRESERVATION AND REHABILITATION						
H-3.A	Housing Rehabilitation	To enhance the quality of existing neighborhoods, the City shall continue to implement the City's Housing Rehabilitation Program. The City will continue using Community Development Block Grant (CDBG) funds to assist in the improvement of substandard housing.	Ongoing	The City currently funds a housing rehabilitation program that provides accessibility improvements to very low income households. The City has provided a grant to Rebuilding Together Silicon Valley to operate and expand the Home Repair, Rehabilitation and Accessibility Modification program in Gilroy. This program will provide a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low income homeowners.	Retain	C - 2
H-3.B	Code Enforcement Program	To ensure continued maintenance of housing quality, condition, and use, the City shall continue to enforce building codes to address existing exterior and interior code violations. Within current staffing limits, the City shall contact owners of units identified as substandard, offering inspection services and providing information on the City's Rehabilitation Loan Program and landlord/tenant information and mediation services.	Ongoing	The City continues to enforce building codes to address code violations. Code enforcement officers work with owners of units identified as substandard, offering inspection services and providing information on the City's programs and services.	Retain – modify to set quantified objective	C - 3

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-3.C	Monitoring of Units At-Risk of Converting to Market Rate	The City shall provide for regular monitoring of deed-restricted units that have the potential of converting to market rate. In order to proactively address units at-risk of conversion, the City shall develop a program to partner with non-profit housing providers and develop a preservation strategy. This strategy will at least include biennial contact with property owners of affordable units, identification of funds to purchase and preserve affordable units, noticing of tenants and technical assistance with applications for funds.	Ongoing	To date, no multi-family affordable housing units have converted to market rate or are at-risk of conversion. Many of the complexes have undergone significant rehabilitation to update and prolong the longevity of the units. The city has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program. HouseKeys will continue to evaluate the city's current multi-family affordable housing stock to determine if any developments are at-risk of conversion.	Retain	C - 1
H-3.D	Resale Control on Owner-Occupied Below Market Rate Units	The City shall continue to implement resale controls on owner-occupied Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	Ongoing	The City has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program.	Retain	C - 4
H-3.E	Rent and Income Restrictions on Rental Below-Market Rate Units	The City shall continue to implement rent and income restrictions on rental Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	Ongoing	The City has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program to help ensure that the homeowners and property owners are complying with affordable housing requirements.	Retain	C - 5

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING OPPORTUNITY FOR RESIDENTS WITH SPECIAL NEEDS						
H-4.A	Housing for Large Families	The City shall review and revise the Zoning Ordinance, as appropriate, to incorporate appropriate regulatory incentives, and other policies that encourage the development of rental housing units with three or more bedrooms to accommodate the needs of large families. The City shall encourage and support the development of rental housing for large families within future affordable housing projects through various strategies and programs that may include assistance with site identification and entitlement processing; and modifying development standards and granting concessions and incentives.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Not completed. The City will consider the appropriateness of regulatory incentives and other policies that encourage the development of rental housing units with three or more bedrooms to accommodate the needs of large families in Gilroy as part of the 2023 Zoning Update and the 2023 – 2031 Housing Element incentives beyond density bonus law program.	Remove and consolidate with Density Bonus Incentives program The 2023 – 2031 Housing Element includes a program to develop incentives to encourage the development of housing to accommodate the needs of large families in Gilroy.	A - 11
H-4.B	Development of Housing for Seniors	The City shall consider areas for new senior housing development, including residential care facilities, that are convenient to public transit and within walking distance to shopping and restaurants, and incorporate appropriate regulatory incentives, financial incentives, and other policies that encourage the development of housing for seniors. The City shall continue to accept Senior only and Affordable Senior Housing projects through the RDO Exemption program to encourage the development of these projects.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Not completed. As noted above, the Residential Development Ordinance is no longer in effect. The City will consider areas for new senior housing development, including residential care facilities, as part of the 2023 Zoning Update.	Retain – modify. The RDO is no longer in effect. Housing for seniors is a need that will be considered and incorporated into the incentives beyond density bonus state law	A - 11

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.C	Reduced Parking Standards for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing.	Conduct study and review Zoning Ordinance (estimated FY 2015/16) (as appropriate) following adoption of the New General Plan	Not completed. The City will consider reduced parking standards for senior housing as part of the Zoning Ordinance update, which will be completed in 2023.	Retain	E - 6
H-4.D	Development and Conservation of Housing for Farmworkers	The City shall continue to partner with the Housing Authority of Santa Clara County and various non-profit organizations to explore and implement ways of providing affordable farmworker housing. The City shall assist with requests by developers for State and Federal funding for development of multi-family housing within city limits.	Outreach to Santa Clara Housing Authority and non-profit organizations biennially starting in 2016, and identify and pursue development, as appropriate	The City maintains communication with Santa Clara County and other organizations regarding the need for farmworker housing and the potential for expanding farmworker housing in Gilroy. There is currently farm worker housing in Gilroy, including three apartment buildings (managed by Eden Housing). The Ochoa Migrant Camp (managed by EAH Housing) is just outside of city boundaries. The Ochoa Migrant camp is seasonal, following the surrounding harvest season. During the off season, it is used to accommodate un-housed families.	Retain	E - 7

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.E	Consistency with the Employee Housing Act	The City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021), which generally requires employee housing to be permitted by-right, without a CUP, in single-family zones for less than six persons, and in all zones that allow agricultural uses with no more than 12 units or 36 beds.	Review and amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021). The zoning update will be completed in 2023.	Retain	E - 8
H-4.F	Support Homeless Service Providers	The City shall continue to support the efforts of agencies providing emergency shelter for homeless residents, including providing funding when feasible and appropriate.	Ongoing	The City provides funding to homeless service providers through both its CDBG and HTF/PLHA programs. Services include referrals to the Santa Clara County Continuum of Care program, case management, homelessness prevention and provision of basic need items. The City hosts monthly meetings with Unhoused Service Providers. The goal of USP Network is to increase collaboration and partnership among the service providers and the City of Gilroy to connect the unhoused with services.	Consolidate with other programs; the PLHA and CDBG funds includes funding for homelessness prevention services and homelessness assistance	D - 1 and D - 5
H-4.G	Home Access Grants	The City shall continue to administer Home Access Program to provide very low-income disabled residents with help in safely entering and exiting their homes and accessing essential areas within their homes.	Ongoing	This program was eliminated from the consolidated plan. The City continues to look at programs that can help its very-low income disabled residents, including the Home Access Program.	Remove and consolidate with Housing Rehabilitation program	C - 2

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.H	Coordinate with the San Andreas Regional Center	The City shall work with the San Andreas Regional Center to implement an outreach program informing residents of the housing and services available for persons with developmental disabilities. The City shall make information available on the City website.	Initiate coordinate by 2016	The San Andreas Regional Center provides services to residents at Villa Esperanze in Gilroy.	Remove	N/A
H-4.I	Zoning Ordinance Amendments for Transitional and Supportive Housing	The City shall update the Zoning Ordinance to be fully compliant with State law and allow transitional and supportive housing in all zones that allow residential uses, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Completed. The Zoning Ordinance allows transitional and supportive housing in all residential zoning districts, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Remove	N/A
FAIR HOUSING						
H-5.A	Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling, homebuyer assistance, and improvement or removal of identified impediments. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website.	Ongoing	The City funds fair housing counseling services through its Housing Trust/PLHA Fund program. It also publishes the availability of both tenant/landlord counseling and fair housing services via its website.	Retain	F - 2

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
EXPANDING OUTREACH						
H-6.A	Interagency Collaboration for Lower Cost Housing	The City shall continue participation in Countywide housing assistance programs, and collaborate with other public agencies and non-profit housing sponsors in the use of available programs to provide lower-cost housing in Gilroy.	Ongoing	Abode Services provides a direct subsidy to one individual at the Cherry Blossom Apartments, owned by the City, through a partnership with the City and Community Solutions. The City also facilitates TEFRA hearings, as needed, to allow for the development and rehabilitation of affordable housing units throughout the City.	Consolidate – roll into programs to outreach for developers and a program to provide for rehabilitation of affordable housing units.	G - 1 and C - 2
H-6.B	Collaboration with Development Community	The City shall continue to establish relationships with and provide technical assistance to both for-profit and non-profit development companies working in the area of affordable housing, facilitating innovative partnerships and collaborative approaches to affordable housing development. The City will especially utilize the Housing Advisory Committee to address housing issues and provide outreach to the development community.	Ongoing	The City continues to establish collaborative relationships with for-profit and non-profit development companies to find innovative approaches to affordable housing development in Gilroy. The housing advisory duties now fall under the Planning Commission, a decision-making body with authority to approve or recommend approval of housing developments in Gilroy. City staff continue to provide outreach to the development community.	Retain and modify	G - 1

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-6.C	Community Access to Housing Information	To ensure the Gilroy community is provided the highest level of access to information, the City shall evaluate the effectiveness of existing outreach and community education efforts and develop a comprehensive outreach strategy for the delivery of housing information. The outreach strategy will consider various methods of delivery, including print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy.	Develop housing information strategy by June 2016	The City's 2040 General Plan, adopted in November 2020, includes goals, policies, and implementation actions regarding outreach and community education efforts including various methods of delivery, such as print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy. City hosts monthly meetings with Unhoused Service Providers. The goal of USP Network is to increase collaboration and partnership among the service providers and the City of Gilroy to connect the unhoused with services.	Retain	G - 5
H-6.D	Annual Review of Housing Element	Pursuant to HCD Requirements, the City shall conduct an annual implementation review of the Housing Element. The review will include the following information: a log of new residential development permits and completion reports; inventory of units built in the Extremely Low-, Very Low- and Low-Income categories, an update or inventory of approved projects; an annual estimate of population from the State Department of Finance; and available vacant land and zoning survey.	Annually to HCD	The City has submitted Annual Progress Reports in from 2015 through 2022.	Remove	N/A

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE HOUSING NEEDS ASSESSMENT

Housing Needs Assessment

The housing needs assessment discusses the varied needs of all segments of the community. Components that dictate housing need are population trends, demographics, employment trends, household characteristics, housing stock characteristics, housing inventory and market conditions, and preservation of at-risk units. The assessment also analyzes the housing needs of various special needs groups including elderly persons, large households, female-headed households, persons with disabilities (including intellectual and developmental disabilities), homeless/unhoused persons, farmworkers, and extremely low-income households. These components are presented within the context of Gilroy, Santa Clara County, and other regional or neighboring areas as appropriate. The needs assessment guides the identification of appropriate goals, policies, and programs for the City to implement during the 2023–2031 Housing Element Cycle.

The needs assessment uses multiple data sources for analysis. Primary data sources include the 2019 American Community Survey (ACS), the 2014–2018 Comprehensive Housing Affordability Strategy (CHAS) published by the US Department of Housing and Urban Development (HUD), and the 2020 US Census. CHAS provides information related to households with housing problems, including overpayment, overcrowding, and those without complete kitchen facilities and plumbing systems. The CHAS data is based on the 2014–2018 ACS data files but differs from the standard files by including a variety of housing need variables split by HUD-defined income limits and HUD-specified household types. CHAS data uses the HUD Area Median Family Income (HAMFI), which is similar to the area median income (AMI) used by the California Department of Housing and Community Development (HCD), except that it does not utilize the income categories described below. Both the AMI and HAMFI use the same median income from the metropolitan statistical area. In Gilroy, the calculation for the San Jose/Sunnyvale/Santa Clara metropolitan statistical area is used. Tables that use HAMFI instead of AMI are noted.

Note that data from the different sources and different years may have varying estimates for totals such as population or number of households.

Some of the data is broken down by income group. HCD uses five income categories to evaluate housing need based on the AMI for each metropolitan statistical area. The AMI is used for both funding and planning purposes. The categories and their corresponding percentages of the AMI are as follows:

- Extremely low-income households, 0% to 30% of the AMI
- Very low-income households, between 31% and 50% of the AMI
- Low-income households, between 51% and 80% of the AMI
- Moderate-income households, between 81% and 120% of the AMI
- Above moderate-income households, above 120% of the AMI

Extremely low-, very low-, and low-income households may be grouped together for planning purposes and referred to as “lower-income households.”

Projected Housing Needs

California General Plan law requires that each city and county have land zoned to accommodate its fair share of the regional housing need. A local jurisdiction’s “fair share” of regional housing need is the number of additional housing units needed to accommodate the forecasted household growth, replace the loss of existing housing units, and achieve vacancy rates that contribute to a stable and healthy housing market. HCD determines the projected housing need for each region. The housing unit need as determined by HCD for the 2023–2031 planning period for the Bay Area region is 441,176 units. The Association of Bay Area Governments (ABAG) is responsible for allocating housing needs to each jurisdiction within the Bay Area region, which includes Gilroy. Housing unit allocations are divided into four income categories: very low, low, moderate, and above moderate. Gilroy’s RHNA is a total of 1,773 units, as shown in Table 3.

Table 3: Gilroy RHNA, 2023–2031

Income Group	% of County AMI	Units	% of Units
Very Low*	31–50%	669	37.7%
Low	51–80%	385	21.7%
Moderate	81–120%	200	11.3%
Above Moderate	> 120%	519	29.3%
Total	-	1,773	100%

Source: ABAG, Regional Housing Needs Allocation, 2023-2031.

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

Existing Housing Need

Demographic Characteristics

Understanding the demographic characteristics and trends in a city is an important facet of planning for the needs of a community. This section summarizes the population size, age, and racial/ethnic composition of the City of Gilroy and region.

Population Growth Trends

The City of Gilroy is one of 15 cities in Santa Clara County. Gilroy is the southernmost incorporated city in Santa Clara County and is surrounded by the unincorporated county. The 2020 US Census estimated the population of Gilroy at 59,520, an increase of over 10,500 from 2010. Table 4 displays the population trends of Gilroy and surrounding areas, including areas in southern Santa Clara County and northern Santa Cruz County. Gilroy’s population increase

was similar to Morgan Hill and Hollister, but more than double the growth rate of Watsonville and Santa Clara County as a whole.

Table 4: Regional Population Trends, 2010–2020

City	2010	2020	% Change
Gilroy	48,821	59,520	21.9%
Morgan Hill	37,882	45,483	20.1%
Watsonville	51,199	52,590	2.7%
Hollister	34,928	41,678	19.3%
Santa Clara County	1,781,642	1,936,259	8.7%

Source: US Census, 2010 and 2020.

Both the City of Gilroy and Santa Clara County continue to see steady population growth. According to the US Census and the California Department of Finance, Gilroy experienced an average annual growth rate of 1.6 percent between 2010 and 2020, which was higher than the County's average annual growth rate (AAGR) of 1 percent, as shown in Table 5. The growth rate in Gilroy remained steady in comparison to the period from 2000 through 2010, which was 1.7 percent. Table 5 compares the AAGRs of the City and County from 2000 through 2020.

Table 5: Average Annual Population Growth Rate

Jurisdiction	2000	2010	2020	2000–2010		2010–2020	
	Total Population			Population Increase	AAGR	Population Increase	AAGR
Gilroy	41,464	48,821	59,520	7,357	1.7%	10,699	1.6%
Santa Clara County	1,682,585	1,781,642	1,936,259	99,057	0.6%	154,617	1.0%

Source: Decennial Census, 2020

Age Composition

Table 6 summarizes the population's age distribution and percentage change from 2000 to 2019. Different age groups have varying housing needs that may fluctuate across the stages of life. Generally, both the young adult (20 to 34 years old) and the elderly (65 years and older) live in apartments, condominiums, and smaller single-family units. Persons over 65 may also need accommodations so that they can age in place. Persons between the ages of 35 to 65 are more likely to live in single-family homes during this stage of life, per the census estimates.² From 2010 to 2019, the largest increases in population were in age groups from 55 to 84 years of age. There was a slower rate of growth in the 25 to 34 years age group and a negative change

² https://censusreporter.org/data/table/?table=B25125&geo_ids=16000US0629504&primary_geo_id=16000US0629504.

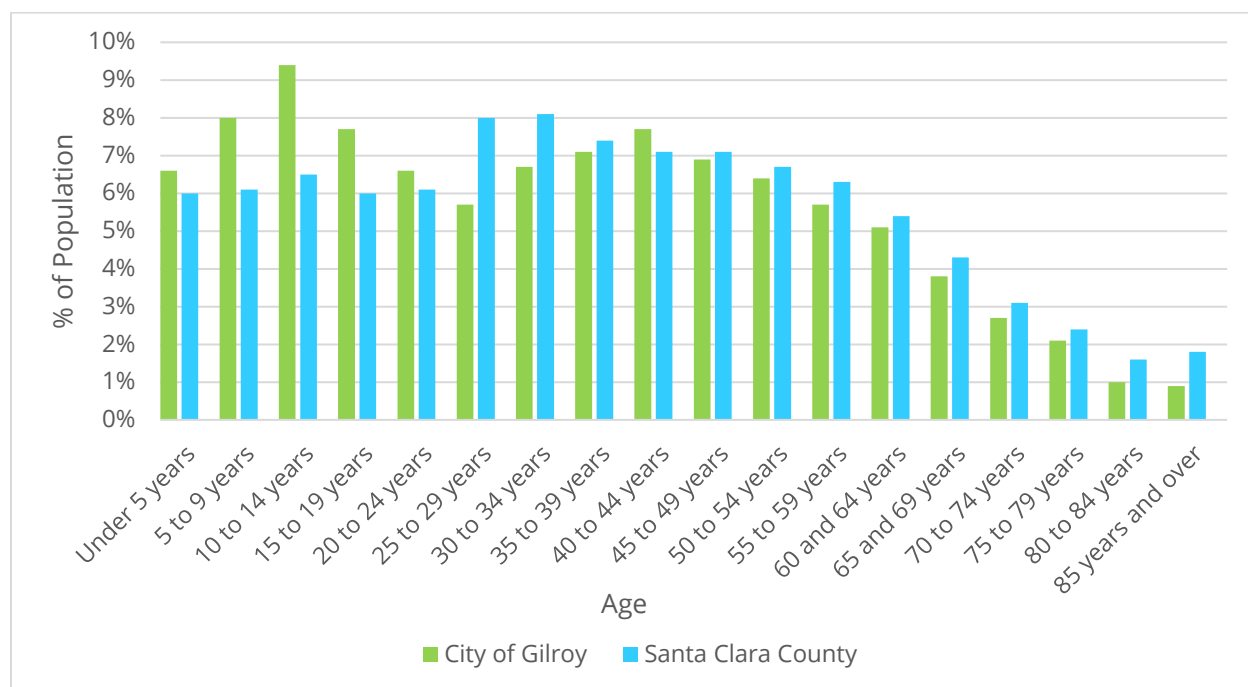
in the 4 years and younger and the 85 years and older age group. This data suggests that there is an increasing need for senior focused housing in Gilroy, which may take the form of age-restricted developments, smaller units, increased support services, and housing with proximity to healthcare.

Table 6: Population Age Distribution, Gilroy

Age Group	2000	2010	2019	% Change (2000–2010)	% Change (2010–2019)
Age 0-4	3,903	4,144	3,738	6.2%	-9.8%
Age 5-14	7,550	8,419	9,885	11.5%	17.4%
Age 15-24	6,194	6,934	8,079	11.9%	16.5%
Age 25-34	6,790	6,718	7,006	-1.1%	4.3%
Age 35-44	6,750	7,386	8,439	9.4%	14.3%
Age 45-54	4,919	6,613	7,553	34.4%	14.2%
Age 55-64	2,543	4,509	6,123	77.3%	35.8%
Age 65-74	1,522	2,326	3,656	52.8%	57.2%
Age 75-84	958	1,237	1,756	29.1%	42.0%
Age 85+	335	535	531	59.7%	-0.7%

Source: US Census 2000, 2010, 2019

Figure 1 shows the age distribution of Gilroy and Santa Clara County in 2019. The distribution is largely similar between the two. Gilroy has a higher percentage of the population that is 24 years or younger, while the County has a larger percentage of the population between 25 and 39 years of age. The County's population above 45 years of age is also higher than Gilroy.

Figure 1: Population Age Distribution, 2019

Source: ACS 2019

Race and Ethnicity

An understanding of the racial and ethnic trends in a region contributes to an analysis of housing demand. Non-White populations occupy multifamily units at a higher rate.³ Race and ethnicity characteristics also can be associated with income levels. Table 7 summarizes the racial and ethnic composition of the population in 2010 and 2019. As of 2019, 59 percent of Gilroy residents of any race were of Hispanic or Latino origin and 41 percent were Non-Hispanic. Of the Non-Hispanic population, 28 percent were white, and 9.1 percent were Asian or Pacific Islander. Between 2010 and 2019, the White Non-Hispanic population percentage declined by 3.4 percent, while the Asian or Pacific Islander population percentage increased by 2.2 percent, and the Hispanic or Latino population increased by 1.3 percent.

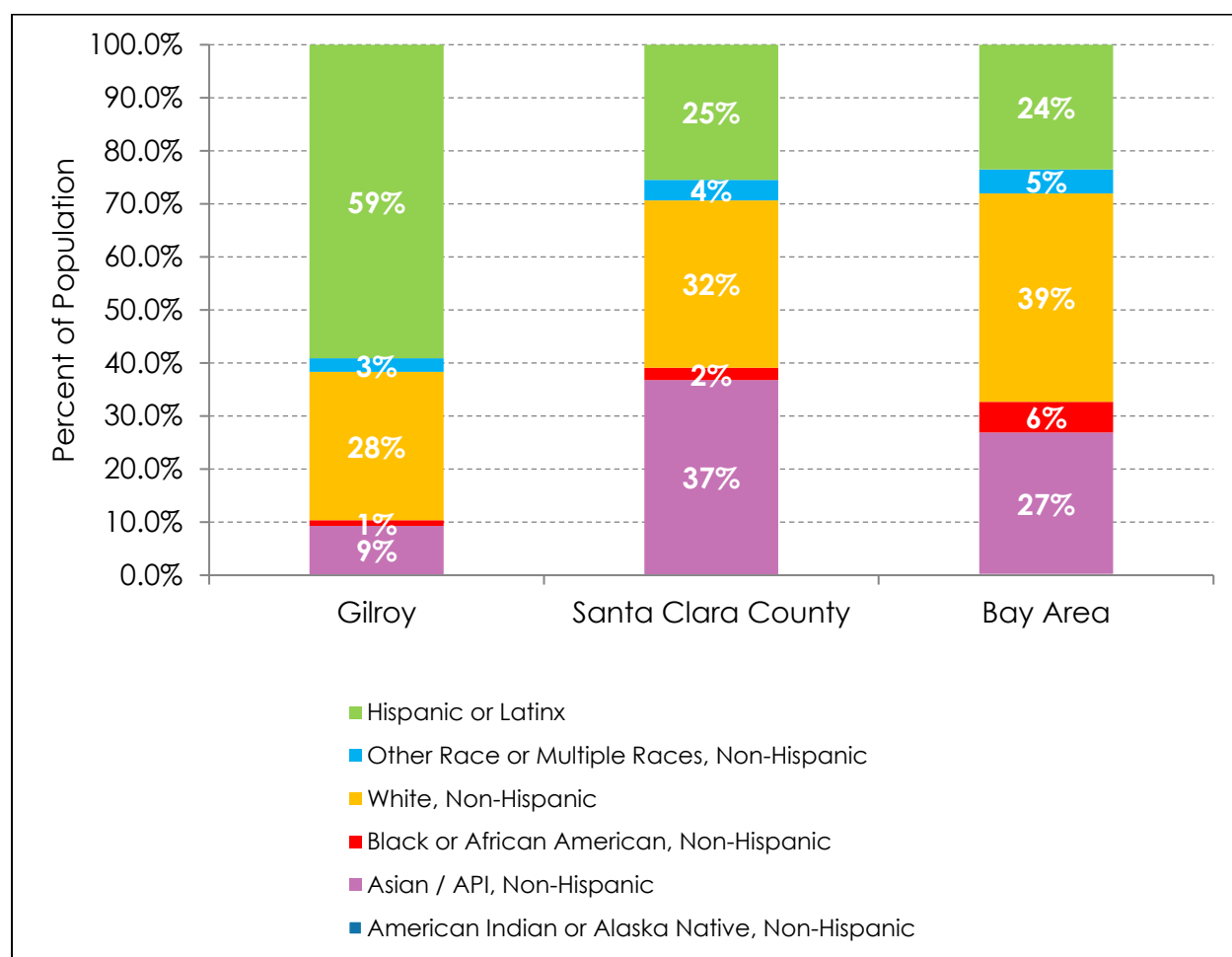
³ ACS Five Year Estimates Table B25032.

Table 7: Racial and Ethnic Composition, Gilroy

Racial/Ethnic Group	2010		2019	
	Number	%	Number	%
Not Hispanic or Latino				
White	15,335	31.4%	15,877	28%
Black	709	1.5%	610	1.1%
American Indian & Alaska Native	180	0.4%	113	0.2%
Asian or Pacific Islander	3,351	6.9%	5,160	9.1%
Some other race alone	58	0.1%	0	0%
Two or more races	974	2.0%	1,460	2.6%
<i>Subtotal</i>	20,607	42.3%	23,220	41%
Hispanic or Latino				
White	13,339	27.3%	26,640	46.9%
Black	233	0.5%	262	0.5%
American Indian & Alaska Native	651	1.3%	215	0.4%
Asian or Pacific Islander	208	0.4%	168	0.3%
Some other race alone	12,264	25.1%	4,807	8.5%
Two or more races	1,519	3.11%	1,454	2.6%
<i>Subtotal</i>	28,214	57.7%	33,546	59%
Total	48,821	100%	56,766	100%

Source: ACS 2019 Five Year Estimates.

Figure 2 displays the racial and ethnic makeup of Gilroy, Santa Clara County, and the entire Bay Area region. The racial and ethnic makeup of Gilroy varies from that of the region. Comparatively, Gilroy's Hispanic or Latino population (59 percent) is more than double that of the County (25 percent) and region (24 percent). Gilroy has a slightly smaller White, non-Hispanic or Latino population (28 percent) than Santa Clara County (32 percent) and the Bay Area region (39 percent). Gilroy's Asian/Pacific Islander population (9 percent) is also much smaller than the County (37 percent) and the region (27 percent).

Figure 2: Regional Racial/Ethnic Composition, 2019

Source: US Census Bureau, ACS 2015–2019, Table B03002.

Employment Trends

Employment trends in a region also influence housing needs. Significant employment opportunities in Santa Clara County have led to a growth in demand for housing in proximity to jobs. The quality and/or pay of available employment can determine the need for various housing types and prices.

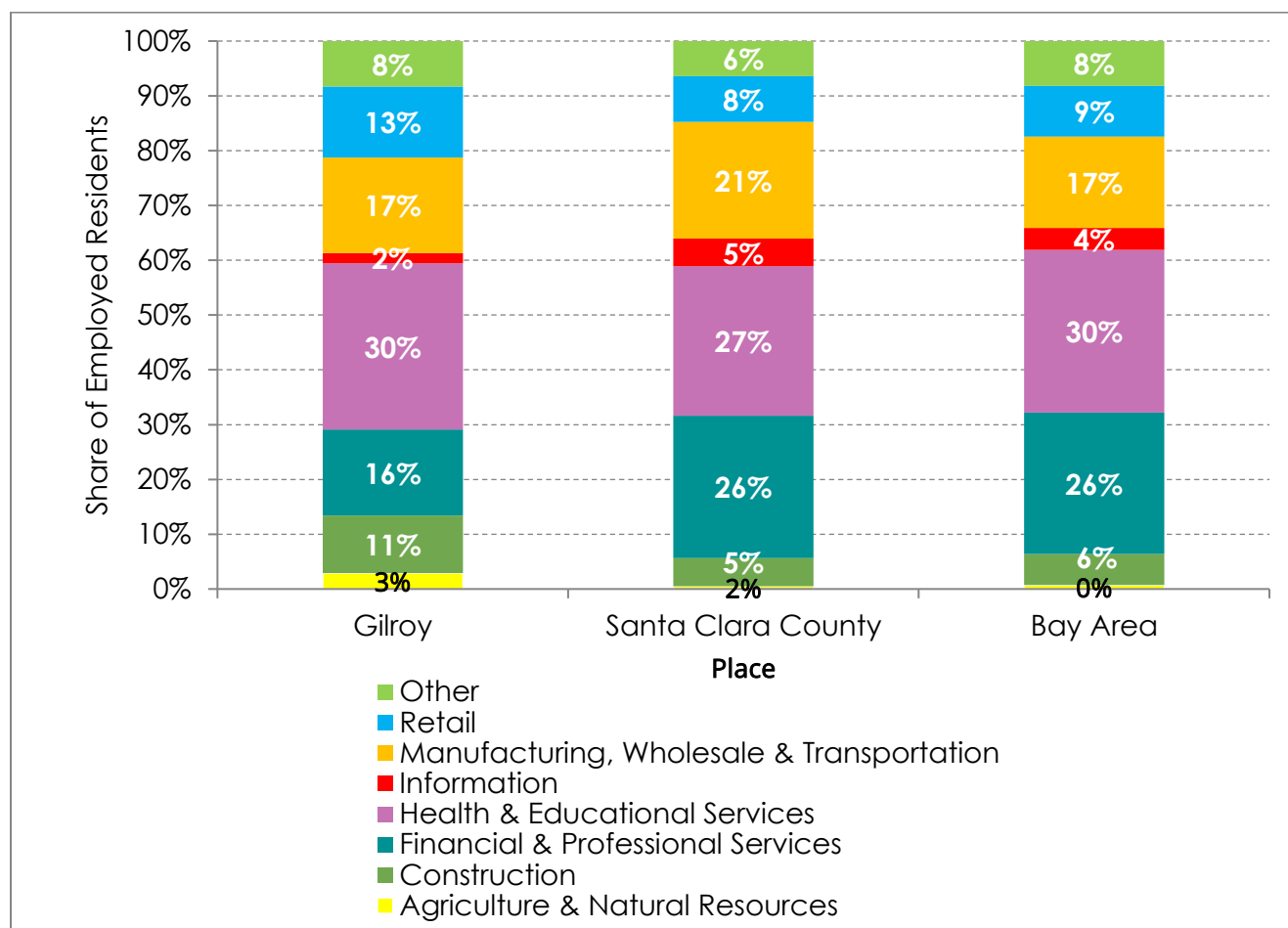
Table 8 shows the labor force and employment trends in Gilroy in 2010, 2014, and 2019. The labor force has increased by over 5,000 from 2010 to 2019. The unemployment rate increased from 2010 to 2014 but decreased from 2014 to 2019. The unemployment rate for Gilroy (3.9 percent) was higher than the County's unemployment rate (3.5 percent) in 2019, according to the 2019 census.

Table 8: Employment Trends, Gilroy

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	23,354	21,272	2,068	6.2%
2014	26,213	23,272	2,930	7.9%
2019	29,620	27,955	1,665	3.9%

Source: ACS Five Year Estimates, 2010, 2014, 2019.

Figure 3 displays the employment share by industry in Gilroy, Santa Clara County, and the entire Bay Area region. The employment by industry breakdown is similar between the City, County, and Bay Area region, with a few differences. Gilroy has a smaller percentage of workers employed in the financial and professional services than Santa Clara County and the Bay Area. It has a higher percentage of workers employed in the retail, construction, and agriculture/natural resources industries. Since there are more people in comparatively lower-paying industries, there may be an increased need for housing for low- and moderate-income households in Gilroy.

Figure 3: Regional Employment by Industry, 2019

Source: US Census ACS 2015–2019, Table C24030.

Table 9 shows the major employers in the City of Gilroy. As of 2021, Christopher Ranch is the largest single employer in Gilroy with 780 employees. Other large employers in Gilroy include Saint Louise Hospital (535 employees), Gavilan College (450 employees), and Olam International (400 employees).

Table 9: Major Employers, 2021

Company	Number of Employees
Christopher Ranch	780
Saint Louise Hospital	535
Gavilan College	450
Olam International	400
Walmart	360
Community Solutions	323
Costco	272
Rebekah Children Services	240
Monterey Gourmet Foods	230
United Natural Foods Inc	205
Kaiser Permanente	175
Headstart Nursery	165

Source: Gilroy Chamber of Commerce, 2021.

Household and Housing Stock Characteristics

This section describes Gilroy's household characteristics, including data on household size, income, median sale prices, rental prices, and vacancy rates. The US Census Bureau defines a family as related persons living within a single housing unit. The US Census Bureau defines a household as all persons living in a single housing unit, whether they are related or not. A household can be one person, a single family, multiple families, or any group of related or unrelated persons.

As shown in Table 10, the number of households in Gilroy continues to grow at a faster pace than the County and the State. In 2019, the US Census Bureau reported 16,126 households in Gilroy, a 13.8 percent increase from 2010. In comparison, total households in Santa Clara County increased by 6 percent between 2010 and 2019, while total households in California increased by 3.7 percent.

Table 10: Change in Households, 2000–2019

Area	2000	2010	2019	% Change 2000-2010	% Change 2010-2019
Gilroy	11,894	14,175	16,126	19.2%	13.8%
Santa Clara County	565,863	604,204	640,215	6.8%	6.0%
California	11,502,870	12,577,498	13,044,266	9.3%	3.7%

Source: US Census 2000, 2010, 2019.

The average number of persons per household in Gilroy was 3.5 in 2020, an increase from 2010. As shown in Table 11, the average number of persons per household in Gilroy continues to be higher than the State and County average by 0.5 persons.

Table 11: Regional Average Household Size

Geography	2010	2020
Gilroy	3.4	3.5
Santa Clara County	2.9	3.0
California	2.9	3.0

Source: US Census 2010 SF1, DP-1 and US Census 2020.

Table 12 shows the household size distribution of Gilroy, Santa Clara County, and the Bay Area region. Gilroy has a lower percentage of one-person households (14.5 percent) than Santa Clara County (20.3 percent) and the Bay Area region (24.7 percent). Gilroy's percentage of 2- and 3-4 person households is similar to the County and region, while the City's percentage of households with 5 or more people (24.3 percent) is nearly twice that of Santa Clara County (12.4 percent). The high proportion of large households influences the needs for a variety of larger unit types and may correlate with some presence of overcrowding.

Table 12: Household Size Distribution, 2019

Geography	1 Person	%	2 Person	%	3-4 Person	%	5 Person or More	%	Total
Gilroy	2,345	14.5%	4,353	27%	5,512	34.2%	3,916	24.3%	16,126
Santa Clara County	130,090	20.3%	196,510	30.7%	234,061	36.6%	79,554	12.4%	640,215
Bay Area	674,587	24.7%	871,002	31.9%	891,588	32.6%	294,257	10.8%	2,731,434

Source: US Census Bureau, ACS 5-Year Data (2015-2019), Table B11016-H2.

The median household income for Gilroy in 2019 was \$101,616, an increase of over \$25,000 from the median income of \$76,060 in 2012. However, Gilroy's 2019 median household

income (\$101,616) was about \$22,439 less than the 2019 median income for the County (\$124,055). In the City, the median income for owner-occupied households (\$134,115) was significantly higher than the median income for renter-occupied households (\$60,022) in 2019.

Table 13: Median Household Income by Tenure, 2019

Jurisdiction and Tenure	2019 Median Income
City of Gilroy	\$101,616
Owner-Occupied Households	\$134,115
Renter-Occupied Households	\$60,022
Santa Clara County	\$124,055
Owner-Occupied Households	\$155,139
Renter-Occupied Households	\$91,265

Source: ACS 2019 Table B25119.

The State of California uses five income categories to determine eligibility for housing programs based on area median income (AMI) for a family. Because eligibility is based on the AMI for a 4-person household in Santa Clara County, cities such as Gilroy, which have a lower median income than the AMI, will have more residents that qualify for housing programs. However, many low-income families in Gilroy have difficulty paying for housing even with housing program subsidies, which are based on the County AMI. In 2019, Gilroy's median income (\$101,616) was \$22,439 less than the Santa Clara County AMI (\$124,055) at that time.

This disparity is in part due to the fact that Gilroy is located farther from high-paying technology and finance jobs in the Bay Area and Silicon Valley than the remainder of Santa Clara County jurisdictions. Table 14 shows the State-defined income ranges for each income category based on the 2022 Santa Clara County AMI of \$168,500 for a household of four, a significant increase from 2019.

Table 14: Income Range by Affordability Level Based on State Area Median Income, 2022

Affordability Category	% of County Median	Income Range
Extremely Low Income	30%	≤ \$50,550
Very Low Income	31%-50%	\$50,550 ≤ \$84,250
Low Income	51%-80%	\$84,250 ≤ \$131,750
Moderate Income	81%-120%	\$131,750 ≤ \$202,200
Above Moderate Income	> 120%	> \$202,200

Source: California Department of Housing and Community Development, 2022.

Table 15 uses HUD HAMFI. As discussed above, the difference between HAMFI and AMI is that HAMFI is a HUD-defined term that does not utilize HCD income categories. Table 15 provides a breakdown of income level by tenure in Gilroy, using the 2014–2018 CHAS data. The table

shows that just under 40 percent of households in Gilroy are renter-occupied, compared to 43.2 percent of households in the County. In Gilroy, 42.5 percent of the population falls into the extremely low-, very low-, and low-income categories, highlighting the need for affordable housing options in the City.

Table 15: Household Income by Tenure, 2018

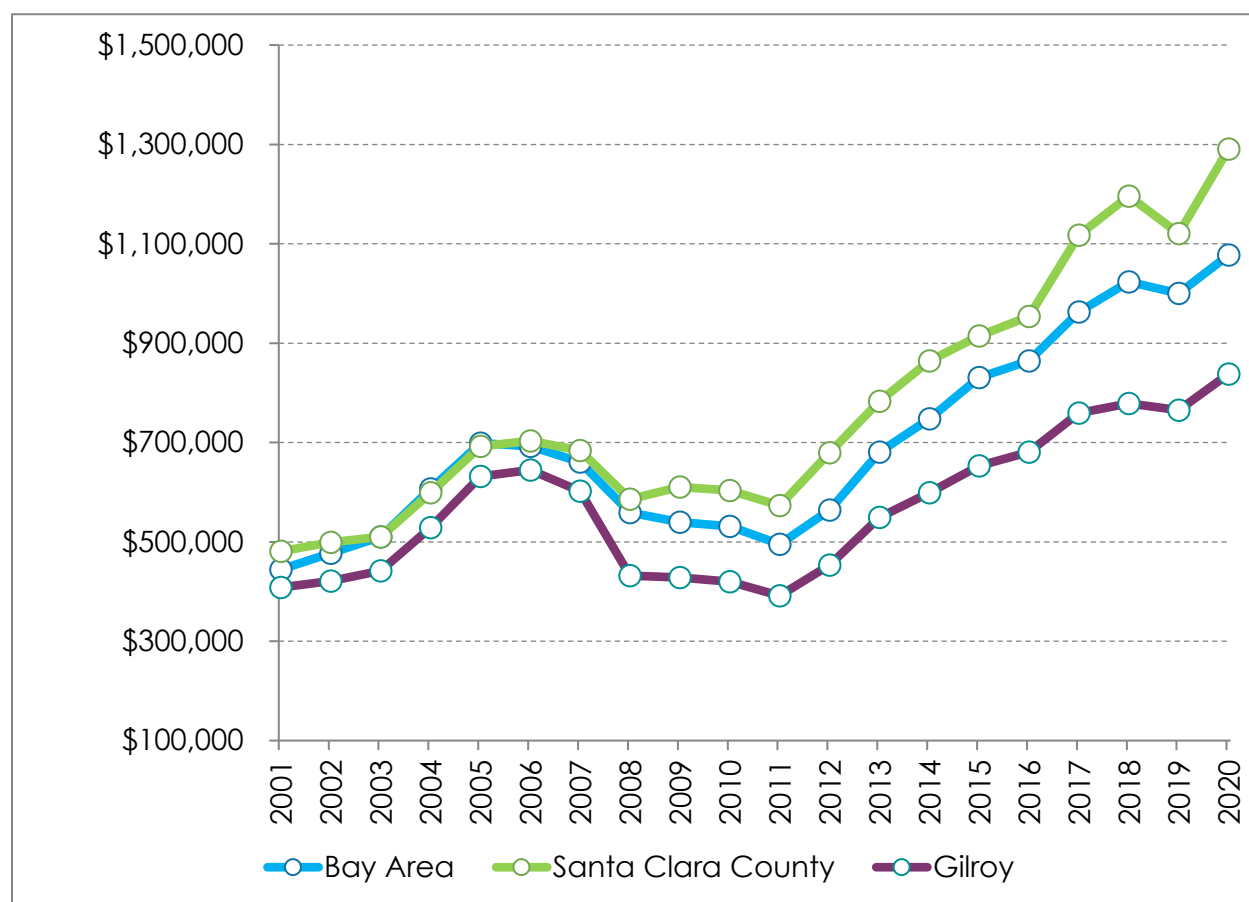
Income Level	Renter-Occupied		Owner-Occupied		Total Occupied Housing Units	
	Number	%	Number	%	Number	%
City of Gilroy						
Less than or equal to 30% of HAMFI	1,995	12.3%	644	4.0%	2,639	16.3%
Greater than 30% but less than or equal to 50% of HAMFI	1,340	8.3%	894	5.5%	2,234	13.8%
Greater than 50% but less than or equal to 80% of HAMFI	1,040	6.4%	965	6.0%	2,005	12.4%
Greater than 80% but less than or equal to 100% of HAMFI	605	3.7%	1,035	6.4%	1,640	10.1%
Greater than 100% of HAMFI	1,420	8.8%	6,259	38.6%	7,679	47.4%
Total	6,400	39.5%	9,797	60.5%	16,197	100.0%
Santa Clara County						
Less than or equal to 30% of HAMFI	55,360	8.7%	27,980	4.4%	83,340	13.1%
Greater than 30% but less than or equal to 50% of HAMFI	35,920	5.7%	27,635	4.3%	63,555	10.0%
Greater than 50% but less than or equal to 80% of HAMFI	34,260	5.4%	32,440	5.1%	66,700	10.5%
Greater than 80% but less than or equal to 100% of HAMFI	24,640	3.9%	28,655	4.5%	53,295	8.4%
Greater than 100% of HAMFI	124,680	19.6%	243,955	38.4%	368,635	58.0%
Total	274,860	43.2%	360,665	56.8%	635,525	100.0%

Source: HUD 2014-2018 CHAS data.

Median Home Sales Price

Figure 4 shows the change in home prices in Gilroy, Santa Clara County, and the Bay Area region from January 2001 to December 2020. While each geography follows the same general trend over time, Gilroy home prices are lower than the other two geographies. Notably starting after 2005, Santa Clara County home prices trend higher than the Bay Area region on average. After 2007, the housing market slowdown affected home sale prices in Gilroy, which decreased by approximately 50 percent between mid-2007 and early 2012. Since 2012, the median sales prices for new and resale homes in Gilroy have steadily increased, with a minor dip at the start of the COVID-19 pandemic. However, Gilroy home prices remain significantly lower than the County. As shown in Table 16, the November 2021 median home price in Gilroy (\$1,000,000) was \$405,000 less than Santa Clara County (\$1,405,000).

Figure 4: Regional Home Prices Over Time, 2001–2020



Source: Zillow.com, 2020.

As shown in Table 16, the median home price in Gilroy increased almost 20% in a one-year period, from \$835,000 in November 2020 to \$1,000,000 in November 2021. Comparatively, the median sales price in Santa Clara County increased by 15 percent. Since a household can typically qualify to purchase a home that is 2.5 to 3.0 times the annual income of that household, Gilroy's median income of \$101,616 in 2019 implies that the median sales price

should have been around \$305,000. Looking ahead, the \$1,000,000 median sales price in November 2021 indicates a high potential of cost burden in the City.

Table 16: Zillow Home Value Index, 2020 and 2021

Jurisdiction	November 2020	November 2021	% Change
Gilroy	\$835,000	\$1,000,000	20%
Campbell	\$1,420,000	\$1,640,000	15%
Santa Clara	\$1,380,000	\$1,560,000	13%
San Jose	\$1,120,000	\$1,330,000	19%
Morgan Hill	\$1,050,000	\$1,260,000	20%
Santa Clara County	\$1,225,000	\$1,405,000	15%

Source: Zillow Housing Market Data, 2021.

Rental Prices and Affordability

Table 17 summarizes the average monthly rent of market-rate housing in Gilroy by unit size in 2021. According to Zumper, the average rental rate for a one-bedroom unit was \$1,850; a two-bedroom unit was \$2,285; and a three-bedroom unit was \$3,100.

Table 17: Average Monthly Rent by Unit Size, 2021

Unit Size	Average Monthly Rent
Studio	\$1,600
1 bedroom	\$1,850
2 bedrooms	\$2,285
3 bedrooms	\$3,100
4 bedrooms	\$3,775

Source: Zumper, August 2021.

Using the assumption that any rent that exceeds 30 percent of household income renders the resident cost-burdened, Table 18 shows the maximum monthly rent that a household in Santa Clara County (including Gilroy) can afford based on income and the number of bedrooms in the household.

Table 18: Maximum Affordable Rent by Income, Santa Clara County

Typical Unit Size	Income (hourly)	Income (annually)	Income (monthly)	Maximum Affordable rent (30% of income)
Studio	\$42.85	\$89,120	\$7,426.67	\$2,228
One Bedroom	\$49.19	\$102,320	\$8,526.67	\$2,558
Two Bedroom	\$58.67	\$122,040	\$10,170	\$3,051
Three Bedroom	\$76.62	\$159,360	\$13,280	\$3,984
Four Bedroom	\$88.33	\$183,720	\$15,310	\$4,593

Source: National Low Income Housing Coalition. Out of Reach 2021.

Table 19 shows the maximum affordable monthly rent by affordability category.

Table 19: Maximum Affordable Monthly Rent by Income Category

Affordability Category	% of County Median	Income Range	Maximum Affordable Monthly Rent
Extremely Low Income	30%	≤ \$50,550	\$1,264
Very Low Income	31%-50%	\$50,550 ≤ \$84,250	\$2,106
Low Income	51%-80%	\$84,250 ≤ \$131,750	\$3,294
Moderate Income	81%-120%	\$131,750 ≤ \$202,200	\$5,055
Above Moderate Income	> 120%	> \$202,200	-

Source: California Department of Housing and Community Development, 2022.

Current average rents in Gilroy (Table 17) would allow a moderate-income household, making \$131,750, to afford a rental unit of most any size, since such households can afford up to \$5,055 in rent. However, extremely low-income households would likely be cost-burdened in any size unit, since the maximum rent they can afford would be \$1,264 (less than the rent for a studio apartment). The average monthly rent for a two-bedroom unit in Gilroy (\$2,285) would be unaffordable to a four-person household in the extremely low- and very low-income groups, as shown in Table 19. This disparity leads to overcrowding, which is discussed later in this chapter. The disparity between incomes and housing costs indicates a need for more housing options at a variety of unit sizes available, especially to households below the AMI.

Vacancy Rates

Vacancy rates are indicators of housing supply and demand that reflect the degree of housing choice that is available. Higher vacancy rates can induce downward price pressure, while low vacancy rates can influence upward price pressures. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Too low a vacancy rate can force prices up, making it more difficult for lower- and moderate-income households to find housing. For rental units, a 7 to 8 percent vacancy rate is considered “healthy”. For owner-occupied housing, a vacancy rate of 2 percent or below is considered “healthy.” In 2013, the vacancy rate in Gilroy was 4.6 percent, decreasing to 2.9 percent in 2019. Table 20 summarizes the number of occupied and vacant units in Gilroy from 2013 to 2019.

Table 20: Occupancy Rates

Occupancy Status	2013	%	2019	%
Occupied Housing Units	14,657	95.4%	16,126	97.1%
Vacant Housing Units	701	4.6%	482	2.9%
Total Housing Units	15,358	100%	16,608	100%

Source: ACS 5 Year Estimates, 2013 and 2019.

Overpayment

Overpayment is defined as households paying more than 30 percent of their gross income on housing-related expenses, including rent or mortgage payments and utilities. Severe overpayment occurs when households pay 50 percent or more of their gross income for housing. Households paying greater than 30 percent of their gross income on housing-related expenses are considered cost burdened. Higher costs for housing may contribute to households having a limited ability to cover other everyday living expenses. The impact of housing costs is more apparent for extremely low-, very low-, and low-income households, and especially renter households.

Table 21 illustrates housing cost as a percentage of household income by tenure, showing the number and percentage of households that are experiencing cost burden and severe cost burden for both Gilroy and Santa Clara County. In 2018, 9,079 Gilroy households, or 56.3 percent, experience some form of overpayment, with 18.1 percent of households experiencing severe overpayment. This is an increase of 1,769 households from 2012. At about 56.3 percent, Gilroy experiences overpayment at a slightly higher rate than the County, where 50.2 percent of households experience some sort of overpayment.

Table 21: Housing Cost as a Percentage of Household Income, 2018

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30% income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
City of Gilroy: Owner Households						
Less than or equal to 30% of HAMFI	645	4.0%	470	2.9%	400	2.5%
Greater than 30% but less than or equal to 50% of HAMFI	895	5.6%	550	3.4%	330	2.0%
Greater than 50% but less than or equal to 80% of HAMFI	975	6.1%	465	2.9%	240	1.5%
Greater than 80% of HAMFI	7,305	45.4%	1,160	7.2%	165	1.0%
Total	9,820	61.0%	2,645	16.4%	1,135	7.0%
City of Gilroy: Renter Households						
Less than or equal to 30% of HAMFI	1,885	11.7%	1,590	9.9%	1,230	7.6%
Greater than 30% but less than or equal to 50% of HAMFI	1,339	8.3%	979	6.1%	395	2.5%
Greater than 50% but less than or equal to 80% of HAMFI	1,030	6.4%	590	3.7%	165	1.0%
Greater than 80% of HAMFI	2,029	12.6%	350	2.2%	0	0.0%
Total	6,283	39.0%	3,509	21.8%	1,790	11.1%
Santa Clara County: Owner Households						

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30% income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
Less than or equal to 30% of HAMFI	25,960	4.1%	20,765	3.3%	16,670	2.6%
Greater than 30% but less than or equal to 50% of HAMFI	27,625	4.4%	15,370	2.4%	9,725	1.5%
Greater than 50% but less than or equal to 80% of HAMFI	32,435	5.2%	15,680	2.5%	6,870	1.1%
Greater than 80% of HAMFI	272,605	43.3%	46,610	7.4%	7,635	1.2%
Total	358,625	57.0%	98,425	15.6%	40,900	6.5%
Santa Clara County: Renter Households						
Less than or equal to 30% of HAMFI	51,035	8.1%	45,275	7.2%	35,590	5.7%
Greater than 30% but less than or equal to 50% of HAMFI	35,940	5.7%	29,750	4.7%	15,250	2.4%
Greater than 50% but less than or equal to 80% of HAMFI	34,270	5.4%	21,565	3.4%	5,615	0.9%
Greater than 80% of HAMFI	149,320	23.7%	22,390	3.6%	1,165	0.2%
Total	270,565	43.0%	118,980	18.9%	57,620	9.2%

Source: HUD 2014-2018 CHAS data.

Overcrowding

An overcrowded housing unit is defined by the US Census Bureau as a housing unit occupied by more than one person per room (excluding bathrooms, kitchen, hallway, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding.

Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. Table 22 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households in Gilroy, roughly 9.2 percent, were experiencing overcrowding in 2019. This included 347 owners and 1,135 rental households. Instances of overcrowding vary by tenure, with renters experiencing higher levels of overcrowding than owners.

Table 22: Overcrowded Households, 2019

Persons per Room	Owners		Renters		Total	
	Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
City of Gilroy						
1.01 to 1.50	285	1.8%	665	4.1%	950	5.9%
>1.50	62	0.4%	470	2.9%	532	3.3%
Total Overcrowded	347	2.2%	1,135	7.0%	1,482	9.2%
Santa Clara County						
1.01 to 1.50	7,526	1.2%	21,951	3.4%	29,477	4.6%
>1.50	2,340	0.4%	17,983	2.8%	20,323	3.2%
Total Overcrowded	9,866	1.6%	39,934	6.2%	49,800	7.8%

Source: ACS 2019 Table B25014.

Housing Inventory and Market Conditions

This section discusses the housing stock and market conditions in Gilroy, including change in housing units, unit size, unit type, age of housing stock, and housing conditions. By analyzing past and current housing trends, future housing needs can be assessed.

Table 23 summarizes the number of housing units in the City and County from 2000 to 2019. In 2000, Gilroy had 12,167 housing units. By 2010, the number of housing units increased to 14,854, and in 2019 the Census reported 16,608 housing units in the City. According to the California Department of Finance, 2.5 percent of housing units in the County are within Gilroy's boundaries, representing an increase of 0.4 percent from 2000 to 2019.

Table 23: Housing Units, 2000–2019

Year	Gilroy	Santa Clara County	Gilroy as % of Total Santa Clara County Units
2000	12,167	579,329	2.1%
2010	14,854	631,920	2.4%
2019	16,608	672,495	2.5%

Source: US Census 2000 SF3, H1, US Census 2010 SF1, H1, and Department of Finance Table E-5, 2019.

Table 24 summarizes Gilroy's distribution of unit size by tenure in 2019. The most common unit size for renter-occupied units was two-bedroom units, followed by three-bedroom units. Owner-occupied units had more bedrooms, on average, than renter-occupied units.

Table 24: Unit Size by Tenure, 2019

Unit Size	Owner-Occupied		Renter-Occupied		Total Occupied Housing Units	
	Units	%	Units	%	Units	%
No bedroom	15	0.1%	218	1.4%	233	1.5%
1 bedroom	126	0.8%	972	6%	1,098	6.8%
2 bedrooms	632	3.9%	2,601	16.1%	3,233	20%
3 bedrooms	3,895	24.2%	1,481	9.2%	5,376	33.4%
4 bedrooms	4,016	24.9%	685	4.2%	4,701	29.1%
5 or more bedrooms	1,230	7.6%	255	1.6%	1,485	9.2%
Total	9,914	61.5%	6,212	38.5%	16,126	100%

Source: ACS 2019 Table B25042.

Table 25 summarizes Gilroy's housing inventory by unit type from 2000 to 2021. From 2010 to 2021, the number of units for all housing types increased, except for single-family attached units and mobile homes, which remained the same at 887 and 317 units, respectively. The US Census defines single-family attached houses as houses running together or that are attached, such as townhomes⁴. In 2021, there were 11,739 single-family detached units in Gilroy,

⁴ US Census Appendix A. Subject Definitions and Table Index. <https://www2.census.gov/programs-surveys/ahs/2017/2017%20AHS%20Definitions.pdf>

comprising the largest percentage of housing stock, at almost 70 percent. Multifamily housing made up just over 23 percent of the housing stock with 3,883 units.

Comparatively, Santa Clara County had fewer detached single-family housing units (51.7 percent) and more multifamily housing units (35.8 percent) in 2021.

Table 25: Housing Inventory by Unit Type

Housing Type	2000		2010		2021	
	Number	%	Number	%	Number	%
City of Gilroy						
Single family, detached	7,768	63.8%	9,997	67.3%	11,739	69.8%
Single family, attached	742	6.1%	887	6.0%	887	5.3%
Multifamily	3,225	26.5%	3,653	24.6%	3,883	23.1%
Mobile homes	432	3.6%	317	2.1%	317	1.9%
Total Housing Units	12,167	100%	14,854	100%	16,826	100%
Santa Clara County						
Single family, detached	323,923	55.9%	344,586	54.5%	351,726	51.7%
Single family, attached	52,736	9.1%	61,517	9.7%	66,146	9.7%
Multifamily	182,999	31.6%	206,779	32.7%	243,502	35.8%
Mobile homes	19,102	3.3%	19,038	3.0%	18,924	2.8%
Total Housing Units	578,760	100%	631,920	100%	680,298	100%

Source: US Census 2000 SF3, H30 and California Department of Finance Table E-5, 2010 and 2021.

Table 26 displays occupied housing units by tenure in Gilroy in 2019.⁵ The majority of owner-occupied housing units were single-family detached units (82.3 percent), while renter-occupied units were predominantly multifamily (96.7 percent).

⁵ This excludes vacant housing units.

Table 26: Unit Type by Tenure, 2019

Building Type	Owner Occupied	%	Renter Occupied	%	Total
Detached Single-Family Homes	8,967	82.3%	1,933	17.7%	10,900
Attached Single-Family Homes	398	41.6%	559	58.4%	957
Multifamily Housing	125	3.3%	3,615	96.7%	3,740
Mobile Homes	424	80.2%	105	19.8%	529

Source: ACS 2019 Table B25032.

Age of Housing Stock

The age of a housing unit is often an indicator of housing conditions. In general, housing that is 30 years or older may exhibit need for repairs based on the useful life of materials. Housing over 50 years old is considered aged and is more likely to exhibit a need for major repairs. The number of housing units in need of repair and replacement is discussed separately in this chapter. Many federal and state programs use age of housing as one factor to determine housing needs and the availability of funds for housing and community development.

Table 27 summarizes the age of housing stock by tenure in 2019. Approximately 56.2 percent of units were built prior to 1990 and 19.9 percent of units were built before 1970. The City has seen very little rental family housing stock built within the past two decades: only 1,092 rental units were built between 2000 and 2019, compared to 3,112 new owner-occupied units. This disparity in building ages by tenure indicates a need for new rental housing options.

Table 27: Tenure by Housing Age

Year	Tenure: Owner		Tenure: Renter		Total	
Built 2014 or later	764	4.7%	32	0.2%	796	4.9%
Built 2010 to 2013	383	2.4%	226	1.4%	609	3.8%
Built 2000 to 2009	1,965	12.2%	834	5.2%	2,799	17.4%
Built 1990 to 1999	1,570	9.7%	1,290	8%	2,860	17.7%
Built 1980 to 1989	1,388	8.6%	1,145	7.1%	2,533	15.7%
Built 1970 to 1979	1,887	11.7%	1,428	8.9%	3,315	20.6%
Built 1960 to 1969	724	4.5%	477	2.9%	1,201	7.5%
Built 1950 to 1959	642	3.6%	216	1.3%	858	5.3%
Built 1940 to 1949	223	1.4%	90	0.6%	313	1.9%
Built 1939 or earlier	368	2.3%	474	2.9%	842	5.2%
Total	9,914	61.5%	6,212	38.5%	16,126	100%

Source: ACS 2019 Table B25036.

Housing Conditions

Housing is considered substandard when conditions are found to be below the minimum standard of living defined in the California Health and Safety Code. Substandard housing units include those in need of repair and/or replacement. Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangements, due to threats to health and safety.

A household is considered substandard, or to have a housing problem, if it has one or more of the four following housing problems:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Housing unit is overcrowded
- Household is cost burdened

In addition to structural deficiencies and standards, the lack of infrastructure and utilities often serves as an indicator for substandard conditions. Table 28 summarizes the number of units lacking plumbing or complete kitchen facilities. According to the 2019 ACS three-year estimates, 47 occupied units in Gilroy lacked complete plumbing facilities. Of these, 23 were owner occupied and 24 were renter occupied. A total of 49 units lacked complete kitchen facilities. Of those, 16 were owner-occupied and 33 were renter-occupied. It should be noted that there is potential for overlap in the number of substandard housing units, as some units may lack both complete plumbing and kitchen facilities.

Table 28: Units Lacking Plumbing or Complete Kitchen Facilities, 2019

Units	Owner Occupied	% of Total Units	Renter Occupied	% of Total Units	Total	% of Total Units
Lacking Complete Plumbing Facilities	23	0.2%	24	0.2%	47	0.3%
Lacking Complete Kitchen Facilities	16	0.1%	33	0.2%	49	0.3%

Source: ACS 2019 B25049 and B25053.

Local Data

Code enforcement activities in the City of Gilroy are conducted by two Code Enforcement officers. From July 1, 2021 to June 30, 2022, code enforcement responded to 78 complaints about substandard housing conditions or other issues reported by residents. The majority of neighborhood complaints related to issues other than substandard housing conditions, including a person living in an RV, junk in the front yard, trash dumped in the alley, and illegal garage conversion. The City estimates that about 2 percent of housing, or about 320 units in the City, are in need of significant rehabilitation or replacement.

Over the two-year 2021–2023 fiscal years, the City utilized CDBG funds to address housing-related issues in Gilroy. The City allocated \$280,000 in CDBG funds to Rebuilding Together Silicon Valley to implement a wide range of home repair, accessibility, mobility, and rehabilitation improvements for low income homeowners. Affordable housing is preserved by providing critical safety home repairs and accessibility modifications for low income, often elderly, homeowners at no cost so that these residents are not displaced and can remain in their existing homes in a safe and healthy environment.

The City also allocated \$81,475 in CDBG funds toward rehabilitation of the Cherry Blossom affordable housing development.

Preservation of Assisted Units At Risk of Conversion

Jurisdictions are required by state Housing Element law to analyze government-assisted housing that is eligible to convert from low-income to market-rate housing over the next 10 years. State law identifies housing assistance as a rental subsidy, mortgage subsidy, or mortgage insurance to an assisted housing development. Government-assisted housing might convert to market-rate housing for a variety of reasons, including expiring subsidies, required mortgage repayments, or expiration of affordability restrictions.

Qualified Entities

Under Government Code Section 65863.11, owners of federally assisted projects must provide a Notice of Opportunity to Submit an Offer to Purchase to qualified entities (nonprofit or for-profit organizations) that agree to preserve the long-term affordability if they should acquire

at-risk projects at least one year before the sale or expiration of use restrictions. Qualified entities have first right of refusal for acquiring at-risk units. Qualified entities are nonprofit or for-profit organizations with the legal and managerial capacity to acquire and manage at-risk properties, and which agree to maintain the long-term affordability of projects. The following is a list of qualified entities from HCD for Santa Clara County that could potentially acquire and manage properties if any were at risk of converting to market rate in the future.

- Cambrian Center, Inc.
- Charities Housing Development Corp.
- Palo Alto Senior Housing Project, Inc.
- Mid-Peninsula Housing Coalition
- Affordable Housing Foundation
- Palo Alto Housing Corp (Alta Housing)
- Satellite Housing Inc.
- ROEM Development Corporation
- Silicon Valley at Home
- L + M Fund Management LLC

Inventory of At-Risk Units

Per Government Code Section 65863.10, assisted housing developments are defined as multifamily, rental housing complexes that receive government assistance under any of the specified federal, state, and/or local programs.⁶ There are approximately 1,926 assisted affordable housing units in Gilroy. The City is currently inventorying its assisted housing developments to determine which developments are at risk of conversion.

As shown in Table 29, Maria Way Home, Glenview Drive Home, and Parkview Apartments all have estimated affordability end years in the next four () years. Thus, there are 55 units within three projects that are at risk of conversion to market rate before 2031. Program **C - 6** is included to complete the inventory of assisted units in the City. Should the units expire during the 6th Cycle, the City will ensure that owners are contacted and advanced notice to tenant is provided.

⁶ HCD Building Blocks, <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/assisted-housing-developments-risk-conversion>

Table 29: Potential Units at Risk of Conversion

Project	Address	Total Units	Assisted Units	Estimated Affordability End Year
Maria Way Home	780 Maria Way	5	5	8/21/2022
Glenview Drive Home	6940 Glenview Drive	5	5	12/19/2026
Parkview Apartments (Pierce Street Apartments)	181 Pierce Street	54	45	3/31/2023
Total		64	55	

Source: LIHTC Database, 2022.

Replacement Costs

The California Tax Credit Allocation Committee's 2020 report provides estimates and data on the cost of building assisted units. It estimates that the average cost of an assisted unit in the State of California is \$439,827.⁷ However, the estimated cost in Santa Clara County is higher, with an average per unit cost of \$607,463.

Table 30 summarizes the estimated replacement costs per unit using construction cost estimates from the UC Berkeley Turner Center's 2018 Construction Cost Index and average unit sizes in the City of Gilroy from RentCafe. Combined, they provide an estimate for replacement costs by unit size specific to Gilroy. It ranges from \$261,690 for a one-bedroom unit to \$494,520 for a four-bedroom unit. However, at the time of publication, construction costs have increased due to supply issues associated with the COVID-19 pandemic.

Table 30: Replacement Cost

Unit Size	Construction Cost per Square Foot	Average Square Foot/ Unit	Replacement Cost per Unit	Number of At-Risk Units	Total Replacement Cost
1 bedroom	\$390	671	\$261,690	8	\$ 2,093,520
2 bedroom	\$390	901	\$351,390	17	\$ 5,973,630
3 bedroom	\$390	1,091	\$425,490	20	\$ 8,509,800
4 bedroom	\$390	1,268	\$494,520	10	\$4,945,200
Total	--	--	--	55	\$ 21,522,150

Source: 2018 UC Berkeley Turner Center Construction Cost Index, RentCafe

⁷ California Tax Credit Allocation Committee, 2020 Annual Report. <https://www.treasurer.ca.gov/CTCAC/2020/annualreport/2020-TCAC.pdf>

Financial Resources

A variety of programs exist to assist cities to acquire, replace, or subsidize at-risk affordable housing units. The following summarizes financial resources available to the City of Gilroy.

Preservation Strategies

There are many options to preserving units, including providing financial incentives to project owners to extend low-income use restrictions; purchasing affordable housing units by a nonprofit or public agency; or providing local subsidies to offset the difference between the affordable and market rate. Scenarios for preservation will depend on the type of project at risk.

Tenant-based subsidies could be used to preserve the affordability of housing. The Housing Authority of Santa Clara County and local nonprofit agencies provide Section 8 Housing Choice Vouchers to lower-income households. These agencies could request funding from the City to provide vouchers for residents if additional sources of revenue were available.

Federal Programs

Community Development Block Grant (CDBG) – CDBG funds are awarded to cities on a formula basis for housing activities. The primary objective of the CDBG program is the development of viable communities through the provision of decent housing, a suitable living environment, and economic opportunity for principally low- and moderate-income persons. CDBG funds can be used for housing acquisition, rehabilitation, economic development, and public services.

HOME Investment Partnership – HOME is a flexible grant program and funds are awarded on a formula basis for housing activities. HOME considers local market conditions, inadequate housing, poverty, and housing production costs. HOME funding is provided to jurisdictions to assist rental housing or homeownership through acquisition, construction, reconstruction and/or rehabilitation of affordable housing.

Section 8 Rental Assistance / Housing Vouchers Program – The Section 8 Rental Assistance / Housing Vouchers Program provides rental assistance payments to owners of private, market-rate units on behalf of very low-income tenants.

Section 811/202 Program – Nonprofit and consumer cooperatives can receive no interest capital advances from HUD under the Section 202 program for the construction of very low-income rental housing for seniors and persons with disabilities. These funds can be used in conjunction with Section 811, which can be used to develop group homes, independent living facilities, and immediate care facilities. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.

State Programs

California Housing Finance Agency (CalHFA) Multifamily Programs – CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation or

new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. One of the programs is the Preservation Acquisition Finance Program, which is designed to facilitate the acquisition of at-risk affordable housing developments and provide low-cost funding to preserve affordability.

Low-Income Housing Tax Credit (LIHTC) – This program provides tax credits to individuals and corporations that invest in low-income rental housing. The LIHTC program creates affordable housing opportunities when the developer of a project “sells” the tax credits to an investor or investors who contribute equity to the development in exchange for an ownership position in the project.

California Community Reinvestment Corporation – The California Community Reinvestment Corporation is a multifamily affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors, and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.

Program Efforts to Preserve At-Risk Units

Through the Community Development Department, the City monitors the list of affordable housing units and their eligibility to convert to market-rate housing. Constant monitoring allows the City to anticipate the time frame by which affordability covenants would expire, thus permitting the City to implement various resources to ensure the continued affordability of the housing units. Through the Consolidated Annual Performance and Evaluation Report (CAPER), the City annually checks with the regional HUD division on the status of rental multifamily housing units that are funded with federal subsidies. To monitor for-sale affordable units, the City’s BMR Program Administrator annually sends a “Below Market-Rate” pamphlet in English and Spanish to all property owners under a resale restriction program. The pamphlet reminds the owners that their home is currently in the program and directs them to contact City staff when they plan to sell, refinance, or transfer ownership of their property. The City is including Programs **C - 1**, **C - 2**, **C - 4**, and **C - 5** for preservation of at-risk and other below market-rate units.

Quantified Objectives

Housing Element law requires that cities establish a maximum number of units that can be converted over the planning period. As shown in Table 29, three (3) assisted projects with a total of 55 units may be at risk of converting to market-rate housing within the planning period. Program **C - 1** and **C - 6** are included to confirm the expiration dates and preserve at-risk units.

Special Needs Groups

Certain segments of the population may have more difficulty finding decent, affordable housing due to special needs. This section identifies the housing needs for elderly persons, large households, female-headed households, persons with disabilities (including

developmental disabilities), homeless persons, farmworkers, and extremely low-income households. People may belong to more than one special needs group. Identifying special needs groups helps to fully assess Gilroy's housing needs and develop appropriate programs and actions to address them. The City maintains a list on its website of affordable rentals in Gilroy and what population each property serves.

Persons with Disabilities

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for this special needs group. The 2019 ACS survey estimates that 8 percent of Gilroy, 8 percent of Santa Clara County, and 10 percent of the Bay Area region have a disability.⁸

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. The types of disabilities included in the Census are:

- Hearing difficulty: deaf or has serious difficulty hearing
- Vision difficulty: blind or has serious difficulty seeing even with glasses
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions
- Ambulatory difficulty: has serious difficulty walking or climbing stairs
- Self-care difficulty: has difficulty dressing or bathing
- Independent living difficulty: has difficulty doing errands alone, such as visiting a doctor's office or shopping

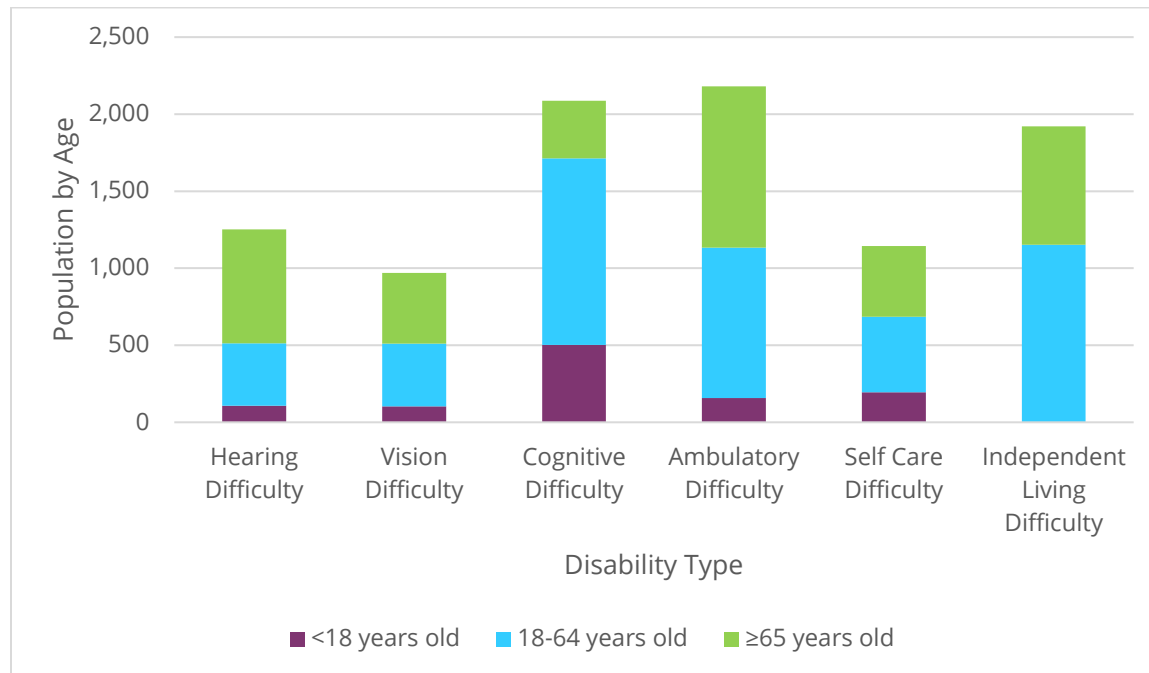
Figure 5 shows an estimate of the number of Gilroy residents with disabilities by type of disability and age group. The most prevalent types of disability are cognitive, ambulatory, and independent living difficulty. Note that individuals may have more than one type of disability.

Ambulatory issues are the highest reported disability citywide. A large population with walking difficulty creates a need for single-story housing, elevators, transit access, wheelchair access, larger homes for live-in help, and proximity to health facilities. For many in need of live-in help or living assistance, accessory dwelling units (ADUs) may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes pre designed "model" plans for ADUs that meet zoning, building, and fire codes. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate

⁸ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101.

and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Figure 5: Disability by Type, 2019



Source: ACS 2019 Table B18108.

Persons with Developmental Disabilities

A subgroup of disabled residents is those who are developmentally disabled. Housing Element law mandates that an analysis of special needs of disabled persons, including persons with developmental disabilities, be included in Housing Elements.

Local Data

Kalisha Webster with Housing Choices.org works with the intellectual and developmentally disabled residents of Villa Esperanza in Gilroy. Ms. Webster provided a Developmental Disabilities Housing Needs Analysis for the City's draft Housing Element that included the following information.

People with disabilities face additional housing challenges. Many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance due to the high cost of care. When it comes to housing, people with disabilities generally are not only in need of lower-income housing but accessibly designed housing, which offers greater mobility and opportunity for independence. Unfortunately, the need typically outweighs what is available, particularly in a housing market with such high demand. People with disabilities are at a higher risk for housing insecurity, homelessness and institutionalization, particularly when they lose aging caregivers.

Many developmentally disabled persons are able to live and work independently. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. When developmental disabilities exist before adulthood, the first housing issue for the developmentally disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

The City of Gilroy is home to 520 people with developmental disabilities, as shown in Table 31. The table below shows that Gilroy has a lower concentration of adults with developmental disabilities than other jurisdictions in Santa Clara County; 59 percent of Gilroy residents with developmental disabilities are 18 and older compared to 63 percent in Santa Clara County. Instead, a higher proportion of Gilroy's residents with developmental disabilities are under age 18 (41% vs 37%). As discussed below, a lack of affordable housing with supportive services could be one of the factors contributing to fewer adults with developmental disabilities being able to live in the City of Gilroy.

Table 31: Gilroy and Santa Clara County Population with Developmental Disabilities

Age	Gilroy	Santa Clara County
Under 18	212 (41%)	4,016 (37%)
18 and older	308 (59%)	6,737 (63%)
Total	520	10,753

Source: Gilroy data provided by San Andreas Regional Center as of November 2021. County data based on county-level data published by Department of Developmental Services as of June 2021.

Living Arrangements of Gilroy Adults with Developmental Disabilities

Local Data

According to the Developmental Disabilities Housing Needs Analysis report prepared specifically for Gilroy by Kalisha Webster with Housing Choices.org, assessing the housing needs of adults with developmental disabilities is of particular importance because, as they age, the adults will require a residential option outside the family home, whereas the family home is the preferred living option for children with developmental disabilities. Living arrangements for adults with developmental disabilities in Gilroy closely mirror that of all adults with developmental disabilities in the County. As of November 2021, the San Andreas Regional Center reported that the family home is the most common living arrangement for Gilroy adults with developmental disabilities, with 65 percent of adults continuing to live in the family home; the same percentage is found throughout the County. Only 8 percent of Gilroy adults with developmental disabilities have successfully transitioned to living in their own apartment, which is lower than the County's percentage, at 11 percent. This is most likely due to a lack of deeply affordable housing in the City. The availability of extremely low income (30% AMI) housing is needed for adults with developmental disabilities to live independently. As of 2021, 26 percent of Gilroy adults with developmental disabilities were reported to be living in

licensed care facilities, higher than the County overall (23%). Opportunities for adults to live in a licensed care facility are declining throughout the County, thus fueling the need for affordable housing with supportive services, to decrease the risk of homelessness or displacement when a parent or family member is no longer able to provide housing for the developmentally disabled individual.

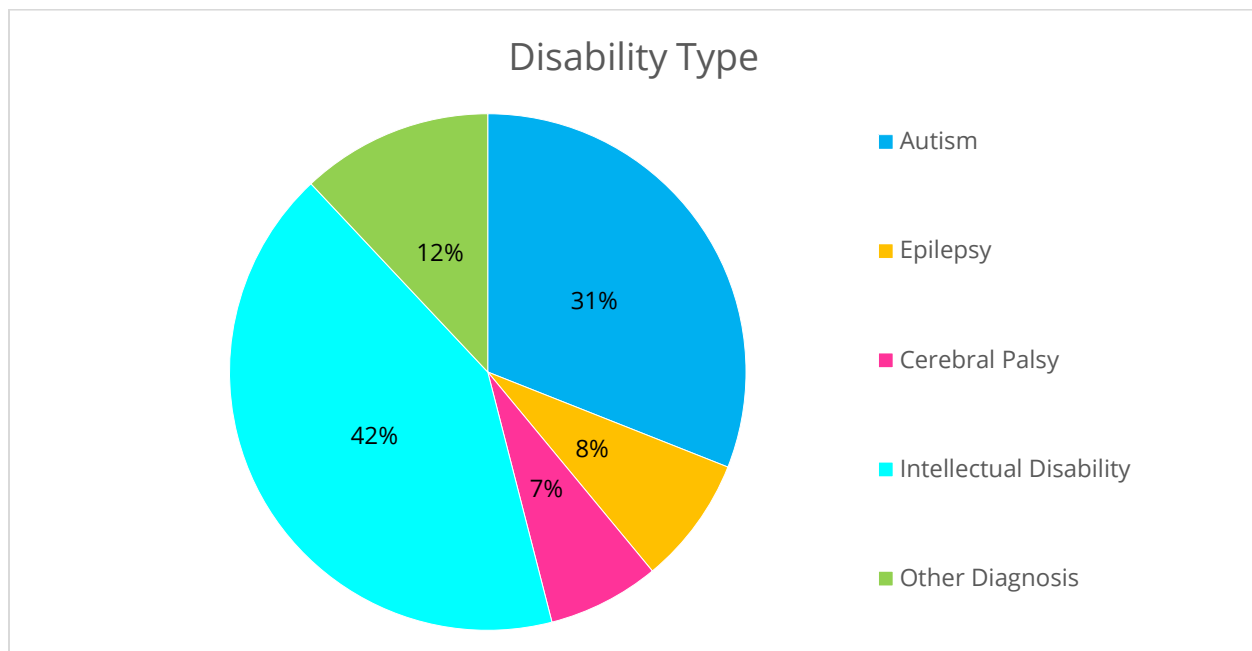
Table 32: Living Arrangements of Adults with Developmental Disabilities

Adult Living Arrangements	Gilroy	Santa Clara County
In the family home	200 (65%)	4,362 (65%)
Own apartment with supportive services	26 (8%)	756 (11%)
Licensed Facilities	79 (26%)	1,525 (23%)
Other (including homeless)	3 (1%)	94 (1%)
Total Adults	308	6,737

Source: Kalisha Webster, Housing Choices.org

The San Andreas Regional Center provides service to developmentally disabled individuals throughout Santa Clara, Santa Cruz, San Benito, and Monterey Counties. According to the California Department of Developmental Services, as of December 2020, the San Andreas Regional Center served 17,309 residents with developmental disabilities in the region. Figure 6 displays the breakdown of type of developmental disabilities served at the San Andreas Regional Center. The largest populations served are those with an intellectual disability (42 percent) followed by autism (31 percent).

Figure 6: Developmental Disability by Type Served by San Andreas Regional Center, 2020



Source: California Department of Developmental Services, 2020.

Outreach to Services Providers

Local Data

On January 24, 2023, in collaboration with Housing Choices, the City held a virtual meeting for intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults). The meeting was attended by 11 participants, with representatives from Housing Choices and the San Andreas Regional Center in attendance. Housing Choices was born as an advocacy organization, mobilizing stakeholders to create new housing opportunities for people with developmental and other disabilities and are committed to educating local elected officials, city and county housing staff, and housing developers about the opportunity to plan for and include people with developmental and other disabilities in their local housing plans. The San Andreas Regional Center is a community-based, private nonprofit corporation funded by the State of California to serve people with developmental disabilities as required by the Lanterman Developmental Disabilities Act.

On February 15, 2023, City staff also met with 12 I/DD residents, caregivers, and staff at Villa Esperanza, a single-story 21-unit low-income apartment development that includes services for intellectually and developmentally disabled (I/DD) individuals. The Villa Esperanza housing development is managed by Eden Housing and receives services from Housing Choices and the San Andreas Regional Center. Approximately 25% of the units have live-in caregivers. Some of the units are occupied by families with children.

Both meetings were helpful in providing staff with a better understanding of I/DD community needs. Participants expressed a need for extremely low-income housing since I/DD individuals generally rely on social security income. The City is including Programs A - 6, A - 7, and A - 8 to promote the construction of and incentivize the affordability of ADUs for I/DD individuals and their caregivers. The City is also including Program A - 11 to develop an inclusionary housing policy and Program A - 12 to develop incentives beyond density bonus state law to facilitate the creation of extremely low-income units in higher opportunity areas. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as persons with disabilities.

Participants also expressed a need for project-based vouchers. The City is including Programs A - 8 and D - 3, which include providing financial assistance for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. The City will notify interested residents and provide technical assistance to residents who need help applying to the Santa Clara County Housing Authority (SCCHA) voucher program.

Another identified need by participants was housing and services for both independent living and supportive living skills. For individuals in need of independent living assistance, accessory dwelling units (ADUs) may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes predesigned "model" plans for ADUs that meet zoning, building, and fire codes. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable

accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Elderly Persons

Elderly persons are considered a special needs group because they are more likely to have fixed incomes. Elderly persons are generally defined as people aged 65 years and older. They often spend a higher percentage of their income on food, housing, medical care, and personal care compared to non-elderly persons. Elderly persons may have special needs related to housing location and construction. Because of limited mobility, elderly persons typically need easier access to medical services, amenities such as shopping, and public transit. In terms of housing construction, elderly persons may need ramps, handrails, elevators, lower cabinets and counters, and special security devices to allow for greater self-protection.

According to the 2020 US Census, and as shown in Table 33, Gilroy has a slightly lower percentage of elderly householders than the County; 19 percent of Gilroy's residents were elderly, while 21.3 percent of the County's residents were elderly.

Table 33: Householders by Age, 2020

Householder Age	Gilroy		Santa Clara County	
	Households	%	Households	%
15-24 Years	271	1.7%	15,468	2.4%
25-34 Years	1,990	12.3%	107,194	16.8%
35-64 Years	10,794	66.9%	381,415	59.7%
65-74 Years	1,921	11.9%	74,305	11.6%
75 Plus Years	1,150	7.1%	61,833	9.7%
Total	16,126	100%	640,215	100%

Source: 2019 ACS 5 Year Estimates.

As indicated in Table 34, the 2019 median household income for households with a resident aged 65 and older was \$71,432 in Gilroy and \$75,758 in Santa Clara County. This is compared to the citywide median income of \$101,616 and countywide median income of \$133,076 in 2019. The lower income is likely because fewer elderly persons are working full-time, and most income comes from Social Security and/or part-time work.

Table 34: Median Household Income for Elderly Households, 2019

Householder Age	City of Gilroy Median Income	Santa Clara County Median Income
65 Years and Older	\$71,432	\$75,758
All Households	\$101,616	\$133,076

Source: ACS 2019 5 Year Estimates

Based on HUD's 2014-2018 CHAS data shown in Table 35, 47.4 percent of elderly households in Gilroy are in one of the lower-income categories. Santa Clara County had a slightly smaller percentage of elderly households within the lower-income categories, at 45.8 percent.

Table 35: Income Distribution, Elderly Households, 2018

Income	Gilroy		Santa Clara County	
	Number	%	Number	%
Less than or equal to 30% of HAMFI	980	20.2%	39,300	19.7%
Greater than 30% but less than or equal to 50% of HAMFI	695	14.3%	26,085	13.1%
Greater than 50% but less than or equal to 80% of HAMFI	625	12.9%	26,380	13.2%
Greater than 80% of HAMFI	2,555	52.6%	108,105	54.1%
Total	4,855	100%	199,870	100%

Source: HUD 2014-2018 CHAS data.

Table 36 displays the percentage of the elderly population and their disability status. Of people aged 65 and above, 11.3 percent have one type of disability and 16.5 percent have two or more disabilities. The City and County have similar percentages of elderly individuals with disabilities, at 27.8 and 30.7 percent, respectively.

Table 36: Elderly People with Disabilities, 2019

Disability Status	# of Elderly People with a Disability	% of People Age 65+	# of Elderly People with a Disability	% of People Age 65+
	Gilroy		Santa Clara County	
With one type of disability	669	11.3%	31,527	12.4%
With two or more types of disability	978	16.5%	46,455	18.3%
Total, Elderly with a Disability	1,647	27.8%	77,982	30.7%

Source: ACS 2019 Table C18108.

Table 37 provides a summary of housing problems experienced by elderly households in Gilroy. According to the 2014-2018 CHAS data, 61.6 percent of all elderly households experience some type of housing problem. This includes 81.3 percent of elderly renters and 54.5 percent of elderly owners. The increasing number of elderly persons in the population is creating a demand for more affordable and accessible housing.

The City will address the needs of the elderly population through Program E - 6, which will develop incentives for senior housing in the City. Program E - 6 will also remove potential zoning constraints to the development of senior housing. The City will conduct a study to determine if reduced parking standards for senior housing are appropriate and, based on the

findings of the study, may revise the Zoning Ordinance to reduce said parking standards for senior housing. In addition, the Gilroy Senior Center provides access to a variety of support services at the center, including the YMCA Nutrition program, which serves lunch Monday to Friday; free legal services through Senior Adults Legal Assistance; and information and assistance with social security, housing, and employment matters through Sourcewise Community Resources Solutions. Through CDBG and the Housing Trust/PLHA Funds, the City allocated funds for Meals on Wheels and Rebuilding Together Silicon Valley's Rebuilding Home Repair, Rehabilitation and Accessibility Modification Program. Also, Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors.

Table 37: Elderly Households by Housing Problems and Tenure, 2018

Housing Problem Type	Renters	Owners	Total (Elderly Households)
% with any Housing Problem	81.3%	54.5%	61.6%
% with Cost Burden	29.5%	15.7%	19.4%
% with Severe Cost Burden	29.1%	20.0%	22.4%
Total	843	2,350	3,193

Source: 2014-2018 HUD CHAS data.

Large Households

State housing law defines large households as households with five or more members. Large households are considered a special needs group based on the limited availability of adequately sized, affordable housing units. Large households may have lower incomes, which could result in the overcrowding of smaller units. Table 38 displays household size by tenure for both Gilroy and the County. In 2019, there were 3,916 large households, representing 24.3 percent of all households in Gilroy. Compared to the County as whole, Gilroy has almost double the percentage of large households (24.3 versus 12.4 percent). The disproportionately high number of large households may indicate a need for larger units in Gilroy to accommodate large households. The City is including Program E - 11 to prioritize funds to assist in the development of housing to serve special needs households, such as large families.

The 5th Cycle Program H-4.A (Housing for Large Families) has been consolidated with 6th Cycle Program A - 12 to include incentives beyond density bonus state law for developments that include housing for large households.

Table 38: Large Households by Tenure, 2019

Number of Persons in Unit	Owner Occupied	%	Renter Occupied	%	Total
Gilroy					
Five	1,239	58.6%	876	41.4%	2,115
Six	636	60.7%	412	39.3%	1,048
Seven or more	405	53.8%	348	46.2%	753
<i>Total Large Households</i>	2,280	58.2%	1,636	41.8%	3,916
<i>% of Total Households</i>	23%		26.3%		24.3%
Total Households	9,914	61.5%	6,212	38.5%	16,126
Santa Clara County					
Five	26,406	57.9%	19,190	42.1%	45,596
Six	10,802	58.0%	7,822	42.0%	18,624
Seven or more	8,684	56.6%	6,650	43.4%	15,334
<i>Total Large Households</i>	45,892	57.7%	33,662	42.3%	79,554
<i>% of Total Households</i>	12.7%		12.1%		12.4%
Total Households	361,105	56.4%	279,110	43.6%	640,215

Source: 2019 ACS B25009.

Based on HUD's 2015-2019 CHAS data shown in Table 39, 51.1 percent of large households in Gilroy are in one of the lower-income categories. Santa Clara County had a smaller percentage of large households within the lower income categories, at 42.9 percent. The City is including Program E - 11 to prioritize funds to assist in the development of affordable housing and to serve special needs households, such as large families.

Table 39: Income Distribution, Large Households, 2015-2019

Income	Gilroy		Santa Clara County	
	Number	%	Number	%
Less than or equal to 30% of HAMFI	1,025	15.1%	16,429	11.9%
Greater than 30% but less than or equal to 50% of HAMFI	1,100	16.2%	20,250	14.7%
Greater than 50% but less than or equal to 80% of HAMFI	1,340	19.7%	22,410	16.3%
Greater than 80% of HAMFI	3,320	48.9%	78,600	57.1%
Total	6,785	100%	137,689	100%

Source: HUD 2015-2019 CHAS data.

Table 40 provides a summary of housing problems experienced by large households in Gilroy by tenure. As previously noted, the types of housing problems include overcrowding, overpayment, and housing lacking kitchen or plumbing facilities. CHAS data from 2014-2018 indicates that 49.2 percent of large households experience at least one of these housing problems, including 72.4 percent of large renter households and 30.3 percent of large owner households.

Currently, less than 10 percent of the City's rental housing stock has four or more bedrooms (refer to Table 24), resulting in a high percentage of large family households that are forced to live in overcrowded situations. To address this need, the Housing Element includes Program A - 12 that will adopt incentives beyond density bonus state law for developments that include housing for large households.

Table 40: Large Households by Housing Problems and Tenure, 2018

	Renters	Owners	Total (Large Households)
% with any Housing Problem	72.4%	30.3%	49.2%
% with Cost Burden	23.2%	12.6%	17.4%
% with Severe Cost Burden	24.3%	6.9%	14.7%
Total Large Households	1,360	1,665	3,025

Source: 2014-2018 HUD CHAS data.

Female-Headed Households

Female-headed households are a special needs group because they experience comparatively low rates of homeownership, lower incomes, and high poverty rates. Table 41 shows the number of female-headed households by tenure. In 2019, 16.2 percent of households in Gilroy were female-headed households. Of the 2,616 female-headed households in Gilroy, 1,410 had children under 18 living with them, while 1,206 had no children present. Gilroy has more

approximately six percent more female-headed households than the County, where 10 percent of households in the County are female-headed households.

In Gilroy, 33 percent of female-headed households with children under 18 were below the poverty line, (approximately 465 households).⁹ This is significantly higher than the poverty rate in Santa Clara County, which is 6.6 percent.

Table 41: Female-Headed Households by Tenure, Gilroy, 2019

Household Type	Owner Occupied		Renter Occupied		Total	% of Total Households (16,126)
	Number	%	Number	%		
Female householder, no spouse present, with children under 18	377	2.3%	1,033	6.4%	1,410	8.7%
Female householder, no spouse present, without children	639	4%	567	3.5%	1,206	7.5%
Total	1,016	6.3%	1,600	9.9%	2,616	16.2%

Source: ACS 2019 Table B25115.

Homeless/Unhoused Population

In 2022, the County of Santa Clara, in conjunction with Applied Survey Research, conducted the 2022 Santa Clara County Homeless Census and Survey. This survey is conducted every two years in the last ten days of January. The 2022 Santa Clara County Homeless Census and Survey was performed using HUD-recommended practices for counting and surveying the homeless. The Point-in-Time Homeless Count identified a total of 10,028 persons experiencing homelessness in Santa Clara County in 2022, an increase of 3 percent from the count conducted in 2019. Table 42 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were 814 homeless persons surveyed in Gilroy in January 2022, including 606 sheltered and 208 unsheltered persons.

⁹ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B17010.

Table 42: 2022 Santa Clara County Homeless Census and Survey

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	606	208	814
Campbell	216	0	216
Cupertino	102	0	102
Los Altos	65	0	65
Los Altos Hills	0	0	0
Los Gatos	58	0	58
Milpitas	249	25	274
Monte Sereno	0	0	0
Morgan Hill	60	0	60
Mountain View	206	140	346
Palo Alto	263	0	263
San Jose	4,975	1,675	6,650
Santa Clara	375	65	440
Saratoga	0	0	0
Sunnyvale	279	106	385

Source: Santa Clara County Office of Supportive Housing, October 29, 2022.

Local Data

According to one of the City of Gilroy's Quality of Life Officers, a majority of unhoused individuals are Hispanic, consistent with the overall population of Gilroy. Based on his observations, unhoused persons in Gilroy mostly reside in creek areas, including for example Miller creek. Many unhoused persons also reside near the IOOF bridge. Although most of the observed unhoused persons are physically able to move around by either walking or riding a bicycle, they do not generally migrate to hillside areas or edges of the City where there are fewer businesses or access to food. Furthermore, based on his observations, a very large majority of the unhoused are mentally challenged, whether it be self-induced from drugs, or because they are mentally ill. The Quality of Life Officer also stated that less than 20 percent of the unhoused persons he encounters take advantage of available services.

Table 43 lists emergency shelters and transitional housing in Gilroy.

The Countywide services and shelter provider, HomeFirst Services, provides a 24/7 shelter for adults at the Gilroy shelter. The Gilroy shelter provides sleeping accommodations, meals, restrooms, showers, mobile laundry, and case management support services via South County Compassion Center staff. It has a capacity of serving 100 persons.

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March. It provides 128 shelter beds and has the capacity to house 35 unhoused families with a dependent child under the age of 18. St. Joseph's Family Center manages the shelter and referral process. Walk-ins or families without a referral from a designated community partner are not accepted and 5-7 spots are reserved for Here4You call center hotline referrals. EAH Housing is contracted for day-to-day property management operations and site security.

According to conversations with service providers, if the weather is manageable, unhoused individuals express a strong reluctance to use the service. The service providers stress the need for a permanent emergency shelter as well as shelter or housing for single adults who do not exhibit mental illness or substance abuse disorders.

The City of Gilroy provides annual funds to homelessness prevention support and services through the PLHA. For FY 22-23 and FY 23-24: St. Joseph's Family Center received \$180,000 to provide emergency rental and utility assistance, as well as training and employment readiness to prepare individuals that are homeless or at risk of homelessness. Community Agency for Resources Advocacy and Services received \$40,000 to provide rental and deposit assistance. South County Compassion Center received \$80,000 to provide services to unhoused Gilroy residents and to connect them with services that can help them attain permanent housing. Through its CDBG-CV funds, the City provided an additional \$287,309 in support to Saint Joseph's Family Center's Rental Assistance program.

Table 43: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds or Families Served
Gilroy Shelter	Emergency Shelter	Adults Only	100
Arturo Ochoa Migrant Center ¹⁰ (adjacent to Gilroy)	Cold Weather Shelter	Households with a dependent under 18	35 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25

Source: City of Gilroy, County of Santa Clara.

Farmworkers

Farmworkers are defined as persons whose primary incomes are earned through seasonal agricultural work. The demographics on farm laborers in all California markets are collected and reported on a regional or countywide basis. The data collected includes income, household status, and length of time the laborers work in each area.

There are generally three classifications:

- Migrant workers who move from place to place, planting and harvesting; and
- Annual workers who generally work in the same agricultural area year after year for nine or ten months and spend the rest of the year in their home country; and
- Permanent workers who are employed most of the year in one location and may collect unemployment for the remainder of the year.

Traditionally, Gilroy has been home to many agricultural businesses and industries; however, the increase in the retail and service trade and the expansion of the City as a “bedroom community” for northern Silicon Valley jobs continues to reduce the role of agriculture. Many of these farms are located in the southern areas of the County, in the regions surrounding Gilroy. The majority of farmworkers, almost 80 percent, work on farms with more than 10 employees.

¹⁰ The Arturo Ochoa Migrant Center is located slightly outside city bounds, but serves Gilroy residents.

The US Department of Agriculture conducts a Census of Agriculture every five years. As indicated in Table 44, there were an estimated 4,175 farmworkers in the County working on 359 farms in 2017. This represents a decrease of 1,414 farmworkers compared to the 2007 study, when there were 5,589 farmworkers.

The 2019 ACS estimates indicate that 2.9 percent of Gilroy is employed in the agriculture and natural resource industry, a decrease from 4.6 percent in 2012.¹¹

Table 44: Number of Santa Clara County Farmworkers and Farms, 2017

Farm /Worker Type	Farmworkers	Farms
Farm Size		
Farms with less than 10 employees	847	293
Farms with more than 10 employees	3,328	66
Length of Employment of Workers		
Workers working 150 days or more	2,418	-
Workers working less than 150 days	1,757	-

Source: 2017 Census of Agriculture, Table 7.

The California Department of Conservation's Important Farmland Finder indicates that the vicinity to the east and south of the Gilroy City limits includes large amounts of prime farmland, farmland of local or statewide importance, and unique farmland.¹² The presence of such farmland indicates a need for farmworker housing to support those who work on farmland in and around the City.

Due to the seasonal nature of agricultural work and relatively low wages, farmworker households often have a difficult time securing safe, habitable, and affordable housing.

Eden Housing manages three housing developments within Gilroy City limits, providing 56 housing units for farmworkers:

- 14 units at The Trees
- 24 apartments at Aspen Grove
- 18 units at Maple Gardens

The Rodriguez Migrant Labor Camp, which houses 37 seasonal farmworkers, is privately owned, and is also located just outside of the City limits.

Eden Housing also operates the Arturo Ochoa Migrant Center, located just outside Gilroy City limits. The center functions as a migrant camp from April through November each year,

¹¹ US Census Bureau, American Community Survey (2015–2019), Table C24030.

¹² California Department of Conservation. California Important Farmland Finder. <https://maps.conservation.ca.gov/DLRP/CIFF/>

providing housing for 100 farmworker families within 33 three-bedroom and 67 two-bedroom apartments.

Local Data

In November and December 2022, the City of Gilroy worked with staff from the Ochoa Migrant Camp to survey resident farmworkers. Twenty-six (26) surveys were completed by the farmworkers with assistance from bilingual staff at the Migrant Camp.

The top three housing issues identified by farmworkers was difficulty paying rent, mortgage, or down-payment (26), followed by insufficient housing supply (11) and homelessness (6). Respondents also identified issues regarding length of rental leases and the need for temporary housing.

Additionally, the primary issues limiting housing options for farmworker respondents included insufficient money available for the deposit (24), and credit history or low credit scores (8). The City of Gilroy modified Programs E - 7 and E - 11 to help facilitate needed housing for farmworkers who work in and surrounding Gilroy.

The Gilroy Zoning Ordinance makes available zoning to accommodate various housing types to address the needs of farmworkers. Manufactured and modular homes are permitted by-right in all residential zoning districts; boarding and rooming houses are allowed in all residential zoning districts with a conditional use permit; and multifamily units are allowed in the R3 and R4 residential zoning districts by right. Currently, the City's Zoning Ordinance is not consistent with the Employee Housing Act;¹³ therefore, as part of this Housing Element update, the City is including Program E - 8 to revise the Zoning Ordinance in 2023.

Extremely Low-Income Households

Extremely low-income households in Gilroy are defined as households with income less than 30 percent of the Santa Clara County AMI. The provisions of Government Code Section 65583 (a)(1) require quantification and analysis of existing and projected housing needs of extremely low-income households. In 2018, 16.1 of Gilroy households were within the extremely low-income category, a decrease from 18.9 percent in 2012.

An overcrowded housing unit is defined by the US Census Bureau as a housing unit occupied by more than one person per room (excluding bathrooms, kitchen, hallway, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock.

Table 45 provides a summary of overcrowding rates experienced by extremely low-income households in Gilroy compared to other income levels. Households in Gilroy experience overcrowding at a higher rate than those in the County. Extremely low-income owner-occupied households experience overcrowding at a similar rate to low-income owner-occupied

¹³https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=13.&title=&part=1.&chapter=1.&article

households, but at a higher rate than other owner-occupied households. Extremely low-income renter-occupied households experience overcrowding at a lower rate than very low- and low-income renter-occupied households.

Overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. In the 5th cycle, the City included program H.2-G to encourage the development of extremely low-income housing, and the City will continue to encourage developers to include extremely low-income units in their housing projects. The City is also including Programs A - 6, A - 7, A - 8, and A - 15 to promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide an alternative housing supply to allow for housing mobility in higher opportunity areas. The City will develop an inclusionary housing policy under Program A - 11 and incentives to create extremely low-income units under an incentives beyond density bonus state law Program A - 12.

Table 45: Overcrowding by Income Level, 2019

Housing Income Range	Households	Number of People per Room			
		Overcrowding (>1 person per room)		Severe Overcrowding (>1.5 persons per room)	
	Number	Number	%	Number	%
City of Gilroy: Owner Households					
Less than or equal to 30% of HAMFI	880	70	8.0%	20	2.3%
Greater than 30% but less than or equal to 50% of HAMFI	1,024	44	4.3%	4	0.4%
Greater than 50% but less than or equal to 80% of HAMFI	1,385	115	8.3%	35	2.5%
Greater than 80% but less than or equal to 100% of HAMFI	1,295	20	1.5%	0	0.0%
Greater than 100% of HAMFI	5,334	99	1.9%	4	0.1%
Total	9,918	348	3.5%	63	0.6%
City of Gilroy: Renter Households					
Less than or equal to 30% of HAMFI	2,195	375	17.1%	200	9.1%
Greater than 30% but less than or equal to 50% of HAMFI	1,300	310	23.9%	125	9.6%
Greater than 50% but less than or equal to 80% of HAMFI	1,160	255	22.0%	40	3.5%

Housing Income Range	Households	Number of People per Room			
		Overcrowding (>1 person per room)		Severe Overcrowding (>1.5 persons per room)	
	Number	Number	%	Number	%
Greater than 80% but less than or equal to 100% of HAMFI	570	55	9.7%	25	4.4%
Greater than 100% of HAMFI	975	135	13.9%	80	8.2%
Total	6,200	1130	18.2%	470	7.6%
Santa Clara County: Owner Households					
Less than or equal to 30% of HAMFI	34,600	975	2.8%	280	0.8%
Greater than 30% but less than or equal to 50% of HAMFI	33,095	1,870	5.7%	345	1.0%
Greater than 50% but less than or equal to 80% of HAMFI	38,665	2,155	5.6%	510	1.3%
Greater than 80% but less than or equal to 100% of HAMFI	31,345	1,665	5.3%	585	1.9%
Greater than 100% of HAMFI	223,395	5,530	2.5%	1,130	0.5%
Total	361,100	12,195	3.4%	2,850	0.8%
Santa Clara County: Renter Households					
Less than or equal to 30% of HAMFI	64,310	9,360	14.6%	3,830	6.0%
Greater than 30% but less than or equal to 50% of HAMFI	40,810	9,000	22.1%	3,705	9.1%
Greater than 50% but less than or equal to 80% of HAMFI	37,760	7,305	19.3%	2,400	6.4%
Greater than 80% but less than or equal to 100% of HAMFI	26,915	4,000	14.9%	1,520	5.6%
Greater than 100% of HAMFI	109,315	10,360	9.5%	4,320	4.0%
Total	279,110	40,025	14.3%	15,775	5.7%

Source: 2015-2019 CHAS data

Table 46 provides a summary of housing problems experienced by extremely low-income households in Gilroy. Disproportionate housing needs are determined by finding trends in housing problems in the population by race, household size, or household age. A housing unit is considered substandard or having a housing problem if it has one or more of the following housing conditions:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Housing unit is overcrowded
- Household is cost burdened

Extremely low-income renter-occupied households experience both overpayment and overcrowding. According to 2014–2018 CHAS data provided by HUD, 79.7 percent of extremely low-income households experience at least one type of housing problem. Housing rehabilitation and repair may be more of a cost burden on lower-income households, which may lead to a higher proportion of housing problems. To enhance the quality of existing neighborhoods, the City is including Program C - 2 to utilize Community Development Block Grant (CDBG) funds, as available, to assist in the improvement of substandard housing. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities.

Table 46: Extremely Low-Income Households with Housing Problems, 2018

Income Level	Renters	%	Owners	%	Total	%
Household Income < 30% MFI	1,990		625		2,615	
With any Housing Problem	1,610	80.9%	475	76.0%	2,085	79.7%
With a Cost Burden 30-50%	360	18.1%	70	11.2%	430	16.4%
Cost Burden > 50%	1,230	61.8%	400	64.0%	1,630	62.3%

Source: HUD 2014-2018 CHAS data.

Summary of Housing Needs

An analysis of the housing needs in the City of Gilroy reveals a number of trends, such as an increased need for housing large households and farmworkers. Additionally, compared to the County, Gilroy has a lower median income and larger percentage Hispanic or Latino population.

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE
AFFIRMATIVELY FURTHERING FAIR HOUSING

Affirmatively Furthering Fair Housing

Introduction, Outreach, and Assessment

Introduction

Assembly Bill (AB) 686 requires a jurisdiction's housing element to provide an analysis of contributing factors to fair housing issues and to commit to actively and meaningfully affirmatively further fair housing. This analysis includes an assessment of fair housing enforcement, outreach activities, integration and segregation, racially and ethnically concentrated areas of affluence and poverty, disparities in access to opportunities, disproportionate housing needs, and any other contributing factors that serve as impediments to fair housing. The assessment also analyzes the extent to which the identified Regional Housing Needs Allocation (RHNA) sites affirmatively further fair housing.

Public Outreach

The City of Gilroy solicited community input throughout the Housing Element update planning process in a variety of ways. The main strategies to gather public participation are summarized below.

Outreach Activities

Community members were engaged using the following methods:

- Survey available in hard copy and online in both English and Spanish
- Stakeholder focus groups
- Webpage on City website
- Email list
- City newsletter
- Community workshops
- Joint City Council and Planning Commission study session
- Utility billing mailing insert
- Public hearings

Organizations Contacted and Consulted

Organizations contacted and interviewed included:

- Housing & Neighborhood Revitalization Committee
- St. Joseph's Family Center
- Gilroy Historical Society

- Rebuilding Together Silicon Valley
- Project Sentinel
- Gilroy Compassion Center
- Live Oak Adult Day Services
- Silicon Valley at Home
- South County Collaborative
- League of Women Voters
- Aperto Property Management
- Housing Choices
- Health Trust
- Visit Gilroy
- MidPen Housing
- Garlic World
- CARAS South County
- Eden Housing
- Gilroy Unified School District Migrant Education Program

Housing Element Update Website

The City created the Housing Element update webpage on the City's website to provide:

- Background and information on the Housing Element process;
- Link to the Housing Element update survey;
- Documents related to the Housing Element, including the first public review draft, dated September 12, 2022, the October 31, 2022 revised draft as submitted to the California Department of Housing and Community Development (HCD) following the 30-day public comment period, and the second public review draft revised in response to HCD comments;
- Recordings of the community workshop presentations in English and Spanish;
- Notification to the public of future events; and
- Notification and interest sign-up lists and pathways for residents to get involved in the process and to provide comments or questions to the project team or City representatives.

Stakeholder Interviews

The City reached out to 40 individuals and groups who represented service providers, nonprofits, and other stakeholders to participate in focus group interviews about the housing needs and issues in Gilroy. Out of the 40 individuals and groups that were contacted, 25 people participated in the focus groups. Four focus groups were held: Tuesday, March 29, 2022, at 1:00 PM; Tuesday, April 5, 2022, at 1:00 PM; Thursday, April 7, 2022, at 1:00 PM; and Tuesday, April 12, 2022, at 10:00 AM. Hosting the focus group on four different days provided multiple opportunities to accommodate different schedules. The stakeholders who participated discussed a variety of concerns, including:

- Need for incentives to support farmworker housing;
- Need for more education and outreach to inform residents of housing law and affordable housing;
- Need for emergency, short-term stay housing, and senior housing at the extremely low-income area median income (AMI);
- Disparity of housing and quality of infrastructure and amenities between the east side and west side of the City;
- Disparity of incomes between Gilroy and the County AMI, as the City's AMI was \$33,871 less (24%) in 2020;
- Challenges and lack of support for homeownership; and
- Need to incentivize accessory dwelling unit (ADU) construction.

The participants had varying perspectives informed by their involvement and familiarity with Gilroy, but increased services, education and support, equitable development and investment, and a lack of extremely low-income housing were the most consistent and prevalent issues covered.

Public Workshops

Prior to releasing the first public draft of the Housing Element, the City held two bilingual virtual public workshops. The meetings were held on Wednesday, March 30, 2022, at 6:00 PM and Tuesday, June 28, 2022, at 6:00 PM to present information on the Housing Element update and gather public input. Sixty-one members of the community participated in the workshops and provided feedback via live polling and questions and answers on the Housing Element update process including housing needs, the potential RHNA sites, draft goals, and programs. Presentation slides were in English and Spanish. Live Spanish interpretation was provided, recorded, and posted on the project webpage for both workshops.

Following release of the first public draft, the City held a third virtual public workshop on Tuesday, September 27, 2022, at 6:00 PM. The presentation provided a high-level overview of the draft Housing Element chapters and appendices, and the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact

on housing production, removal of governmental constraints, and meeting special housing needs. The meeting also included a question-and-answer session with public attendees.

The public workshops were held at 6:00 PM on weekdays to accommodate a typical work schedule. Materials and video recordings of the presentations in English and Spanish were made available on the Gilroy Housing Element webpage on the City's website for those who could not attend, or who wanted to review the materials and meetings at their leisure.

Study Session

An in-person bilingual joint public study session with the City Council and Planning Commission was held on Monday, August 29, 2022, at 6:00 PM. This bilingual meeting included a summary of proposed housing programs to address the identified needs of the community and a map of properties that are currently vacant or underutilized that may provide an opportunity for redevelopment with new housing. The meeting included comments from the public and a question-and-answer session with the Council and Planning Commission.

Spanish interpretation and translation were provided. The meeting recording and the presentation slides in both English and Spanish were posted on the project webpage.

Public Hearings

Following the release of the first public draft, the City held two in-person public hearings. The public hearings were held Monday, October 17, 2022, at 6:00 PM (City Council) and Thursday, October 20, 2022, at 6:00 PM (Planning Commission). The purpose of the meetings was to give the public and the City's decision makers another opportunity to provide comments and suggestions prior to sending the draft to HCD for its review.

Public hearings held on April 20, 2023 (Planning Commission) and May 1, 20223 (City Council) gave the public and the City's decision makers an opportunity to review and comment on Housing Element revisions made in response to HCD's comments.

Housing Element Survey (general population)

Another component of the outreach effort was the Housing Element survey, posted on the City's website from April 2022 through August 2022, and promoted through a myriad of channels for the furthest outreach. The survey was available in both English and Spanish. As of August 2, 2022, a total of 367 English and 143 Spanish completed surveys were received, with 248 (34%) respondents being homeowners, 125 (17%) being renters, 191 (35%) of respondents being white or Caucasian, and 236 (44%) being Hispanic or Latino.¹⁴ Responses to the survey primarily revealed concerns from residents regarding:

- Difficulty paying rent, mortgage, or down payment;

¹⁴ Note: 510 total surveys were completed to varies degrees of completeness. Respondents did not answer every question; therefore percentages represent the percentage of respondents to each question not total number of survey respondents.

- Homelessness; and
- Insufficient housing supply including affordable housing.

Respondents also believe that the greatest housing needs are lower- and middle-income workforce housing and affordable housing. The survey results show strong support for more affordable housing while some respondents feel the City is growing too much and thus did not support more development. Most of the survey and stakeholder responders believe that there are not enough services or housing to support individuals who fall within the extremely low-income designation. Stakeholder interviewees and 94 percent of survey respondents supported the adoption of an inclusionary housing ordinance.

Housing Element Survey (focused outreach)

In addition to posting the housing element survey on the City website, City staff conducted a focused bilingual survey effort for farmworkers, youth, and seniors. Hard copy and online surveys were distributed between November 2022 and the end of January 2023.

- **Farmworker Outreach.** Twenty-six (26) surveys were completed. The top three housing issues identified by farmworkers was difficulty paying rent, mortgage, or down-payment (26), followed by insufficient housing supply (11) and homelessness (6). Respondents also identified issues regarding length of rental leases and a need for temporary housing.
- **Youth Outreach.** Eight (8) surveys were completed. The top housing issues identified by this group was difficulty paying rent, mortgage, or down-payment; overcrowding; homelessness; and lack of suitable housing types. Responses also reflected the desire for the City to implement programs to require affordable housing units in new developments and assist residents with finding available housing.
- **Seniors Outreach.** Nineteen (19) surveys were completed. The top three housing issues identified by seniors were difficulty paying rent, mortgage, or down-payment (12), followed by lack of suitable housing types (9), and insufficient housing supply (7). Respondents identified requiring affordable housing units in new developments (10) and access to low-cost pre-designed plans for ADUs as potential programs to improve housing access in Gilroy.

Focused Stakeholder Meetings

Between December 2022 and February 2023, City staff met with Gilroy's youth, seniors, and the intellectually and developmentally disabled (I/DD) community. On December 12, 2022, City staff attended the Gilroy Youth Commission meeting to discuss the Housing Element update, answer questions, and gather feedback from youth in attendance (~15 to 18 years old). On January 25, 2023, City staff made a presentation to seniors at the Gilroy Senior Center, informing them about the Housing Element and gathering feedback. On January 24, 2023, the City held a virtual meeting with Housing Choices and intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), informing

them about the Housing Element and gathering verbal feedback. On February 15, 2023, the City also met with and gathered verbal feedback from I/DD residents, caregivers, and staff at Villa Esperanza, a facility that provides low-income apartment units and services for persons with disabilities.

Findings

Most focus group attendees and survey respondents support the provision of more assistance, financial or otherwise, to the extremely low-income population in finding housing.

City Overview

Much of the fair housing analysis is based upon census data provided at the census tract level. Gilroy has a total of 11 census tracts. Figure 7 displays the census tracts in the City and the RHNA sites within those census tracts; however, several of the census tracts are not solely in Gilroy and have large portions in neighboring jurisdictions. As a result, demographic information for these census tracts reflects neighboring communities, as well as Gilroy. The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Several of the tracts include more land and more households in adjacent jurisdictions other than in Gilroy. These external households are included in the census data, which may affect the displayed maps.

Until 2018, a large portion of the Downtown Specific Plan area and several properties west of downtown were designated as a Neighborhood Revitalization Strategy Area by the US Department of Housing and Urban Development (HUD). A number of capital improvements, youth activities, neighborhood beautification projects, and other downtown revitalization efforts were pursued during this time.¹⁵ The downtown area in Gilroy is also identified as a Priority Development Area in the Association of Bay Area Governments' Plan Bay Area 2050.

The AFFH section also considers the effects that the selected RHNA sites may have on fair housing. Selected RHNA sites are primarily in the eastern portion of the City, while pipeline projects are more evenly distributed throughout Gilroy. Pipeline projects are defined as pending projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The sites inventory includes a mix of vacant and non-vacant sites, selected for their access to resources, suitability for multifamily housing, and proximity to upcoming plans for community revitalization, including the planned high speed rail station, parking management plan, Downtown Specific Plan update, and currently funded place-based improvements. Additionally, non-vacant sites were selected based on their likelihood to develop during the 6th Cycle and the extent to which the existing use may preclude development.

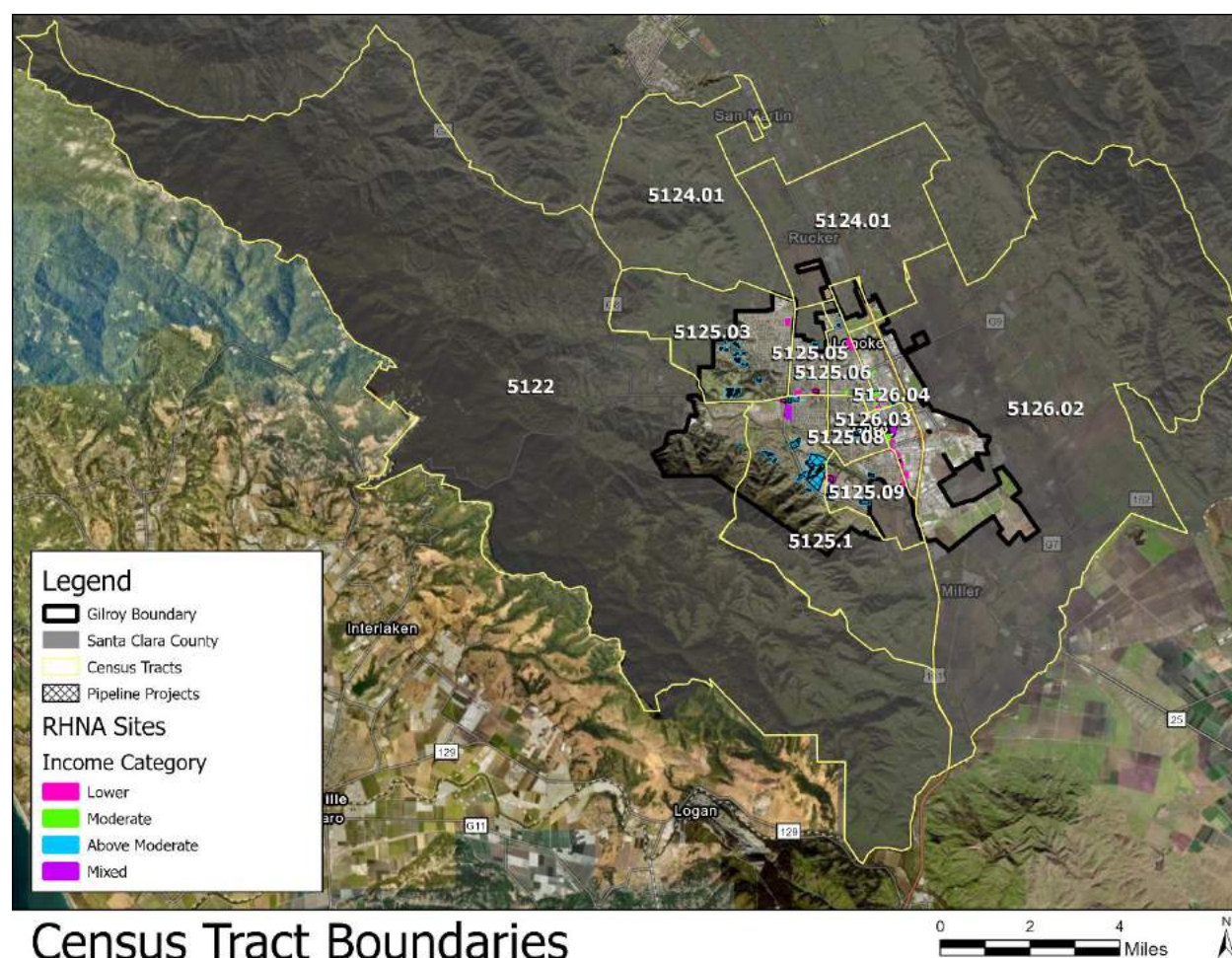
The City is including Program F - 3 for place-based improvements in the downtown area. The City is also including programs to encourage ADU development in the western portion of the

¹⁵ Neighborhood Revitalization Strategy Area Renewal Request for 2013-2018.

<https://www.cityofgilroy.org/DocumentCenter/View/9045/NRSA-Strategy-Renewal-Request-for-2013-2018>

City to promote housing mobility and increased housing opportunities (Program A - 6).¹⁶ To encourage a variety of housing types throughout the City, a program to create a ministerial permit process for triplexes and quadplexes that meet objective design standards is included (Program A - 10). SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of middle-income housing throughout the City, including high-resource areas primarily comprised of detached single-family residences.

Figure 7: Census Tracts and RHNA Sites, 2022



Source: HCD AFFH Data Viewer

As noted in Table 47. Gilroy is split between the Low, Moderate, and High Opportunity categories, with the intersecting tracts in the west being considered a Racially Concentrated Area of Affluence (RCAA) and the tracts in the east containing a Racially and Ethnically

¹⁶ ADUs are calculated on a citywide basis and are not represented on the sites maps

Concentrated Area of Poverty (R/ECAP)¹⁷. These are relative rankings based on composites of the environmental, economic, and education scores. Of the 2,053 RHNA sites, including pipeline projects and opportunity sites, 23 percent of units are in Low Resource tracts, 71 percent of units are in Moderate Resource tracts, and 6 percent of units are in High Resource tracts.

Eight (8) of the eleven census tracts that intersect Gilroy have the majority of their area located inside City limits. Of the eight (8) tracts mostly in the City, 41 percent of units are in the tract with the second highest median income. Both High Resource tracts, 5125.03 and 5122, have a large portion of their land area as rural and undeveloped. Due to the large quantities of open space in these tracts, they have disproportionately high environmental TCAC scores (see the California Tax Credit Allocation Committee (TCAC) section for more information). Tract 5122 has an environmental resource category of 91, while the education resource category is scored at 27. The disproportionately high environmental score of this majority rural, open space, steep tract skews the overall opportunity category towards High Resource. This indicates that disparities between the developable area that is actually within the City bounds and the Low and Moderate Resource opportunity areas of the City may be smaller than indicated. In fact, educational opportunity is significantly higher in the R/ECAP, with an index of 40.

Less than 25 percent of the RHNA units are in the R/ECAP. The majority of the lower-income pipeline RHNA sites are in higher opportunity areas outside of the R/ECAP. It is unlikely that the location of proposed RHNA opportunity sites will exacerbate any fair housing conditions. The City encourages development and redevelopment in the older Downtown R/ECAP, as this is an efficient area with transit, employment, and services. These tracts are also where participants of the focus groups and local housing service providers, specifically advocated for new housing. The High Resource areas of Gilroy in the northwestern tracts are newly developed, single-family, steep and hilly, and not likely to develop or redevelop. This area is the most distant from transit, employment, and services and would not likely score well for affordable housing financing. Despite mapped disparities in opportunity indices, lower-income residents have greater access to job and transit opportunities in the lower resource areas.

The City is including a number of programs to increase housing types and opportunities in higher resource areas of the City. These efforts go beyond sites that are included on the Opportunity Site List and help improve housing choice and mobility, by providing opportunities to increase the number and type of dwelling units in lower density residential zones. Program A - 10 will encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Through Program A - 10, the City will allow triplexes and fourplexes on corner lots in the R1 and R2 zones with a minimum lot size of 6,000 square feet. This includes approximately 1,106 parcels as shown in Figure 33. SB 9 facilitates the creation of up to four

¹⁷ HUD defines R/ECAP as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9, by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of middle-income housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Program G - 5 includes the creation of informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. The pamphlets will be provided online, at City Hall, and at informational booths where housing resources are provided. Program A - 6 includes targeted ADU outreach to the single-family neighborhoods.

In the R-1 zone, there are approximately 1,067 parcels with single-family homes on corner lots greater than 6,000 square feet. Allowing triplexes and quadplexes by right on these corner lots could allow for an additional 3,201 units. These units are primarily in the moderate and high resource areas of the City and thus would allow for increased capacity for housing and increased flexibility for middle-income housing in the R1 zone. Of these 1,067 parcels, 361 are in the high resource TCAC category, 664 are in the moderate resource category, and 42 are in the low resource category. Program A - 10 would also apply to approximately 39 corner lots with single-family homes in the R2 zone. Of these 39 parcels, 22 are in the moderate resource category, and 17 are in the low resource category.

Table 47: Comparison of Fair Housing with Respect to Location

Census Tract	RHNA Units ¹ (% Total)	Total Household s ²	Total Population ²	TCAC Composite Category	Median Household Income	% with a Disability	% of Children in FHH	CalEnviroScreen Percentile	% Non-White	R/ECAP Present
Census Tracts Mostly Inside of Gilroy										
5125.03	116 (6%)	2,567	9,452	High Resource	\$135,863	5.9%	8.2%	15.9	45.8	No
5125.05	211 (10%)	2,058	8,373	Moderate Resource	\$77,481	8.3%	16.2%	32.7	75.5	No
5125.06	156 (8%)	1,779	7,443	Moderate Resource	\$54,770	11.3%	26.1%	56.3	83.0	No
5125.08	19 (1%)	2,644	8,007	Moderate Resource	\$74,032	11.2%	15.6%	52.1	65.7	No
5125.09	216 (11%)	1,239	5,244	Moderate Resource	\$79,306	6.5%	5.8%	38.8	70.2	No
5125.1	846 (41%)	2,270	7,352	Moderate Resource	\$85,960	10.0%	25.4%	29.4	61.9	No
5126.03	376 (18%)	971	4,563	Low Resource	\$37,301	9.5%	30.9%	90.8	91.2	Yes
5126.04	112 (5%)	1,161	4,854	Low Resource	\$35,297	6.0%	23.6%	75.8	91.2	Yes
Census Tracts Mostly Outside of Gilroy										
5126.02	0	805	2,377	Low Resource	\$64,375	13.0%	37.7%	78.0	58.1	No

Affirmatively Furthering Fair Housing

Census Tract	RHNA Units ¹ (% Total)	Total Household s ²	Total Population ²	TCAC Composite Category	Median Household Income	% with a Disability	% of Children in FHH	CalEnviroScreen Percentile	% Non-White	R/ECAP Present
5124.01	0	1,427	4,782	Moderate Resource	\$107,599	13.1%	17.2%	42.4	55.2	No
5122	1	1,612	3,895	High Resource	\$124,130	6.1%	12.8%	13.4	33.8	No

Note:

- 1) Includes opportunity sites and pending projects.
- 2) Includes all households in the tract, including those not within the bounds of the City of Gilroy.

Fair Housing Enforcement and Outreach Capacity

Fair housing enforcement and outreach capacity refers to the ability of a locality and fair housing entities to disseminate information related to fair housing laws and rights and provide outreach and education to community members. Enforcement and outreach capacity also includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing.

Project Sentinel provides fair housing counseling services for the City of Gilroy. The City publishes the availability of both tenant/landlord counseling and fair housing services via its website. In the fiscal years 2022-2023 and 2023-2024, the City of Gilroy allocated \$80,000 in total funds to two Project Sentinel programs: Fair Housing and Landlord/Tenant Counseling and Dispute Resolution. The funds are provided through the Permanent Local Housing Allocation (PLHA) fund, which is administered by Santa Clara County's Office of Supportive Housing.

Project Sentinel is a nonprofit organization that provides a variety of fair housing resources and services in Northern California, including resources for tenants, property managers, and service providers, dispute resolution, and housing counseling. Annually, Project Sentinel processes over 10,000 initial contacts; handles over 400 housing discrimination complaints and over 1,700 landlord tenant and community dispute cases; counsels over 750 homeowners; and provides monthly workshops on housing topics.

Local Data

On March 8, 2023, staff from Project Sentinel provided information for the Housing Element update related to fair housing activity in the City of Gilroy. Project Sentinel has received 256 calls on behalf of the City of Gilroy since 2017 and has managed 139 cases on behalf of the City since 2015. Over the approximately 7- to 8-year period, 32 cases cited different terms/conditions, 15 cited eviction, 46 cited reasonable accommodation or modifications/accessibility, 16 cited coercion or intimidation/harassment, and 20 cited a refusal to rent. The remaining cases cited either repairs not being completed, a hostile environment, or being falsely denied. As shown in Table 48, over 60 percent of the cases since 2015 (86 cases) were filed by residents in the extremely low income (0 to 30% AMI) category. Residents from all age categories have filed cases, with no strong patterns identified (Table 49). Of the cases, seven (7) were filed by Black households, 109 were submitted by White households, two (2) were submitted by Native American households, and six (6) were submitted by other or multiple racial identifying households (Table 50).

Table 48: Dispute Cases by Income Category, 2015-2022

Income Category of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
0-30%	5	14	18	8	17	11	6	7
31-50%	3	1	1	3	3	-	2	-
51-80%	10	1	1	-	2	-	-	2
80% +	3	1	4	-	1	-	-	1
N/A	-	-	-	-	3	10	1	-
Totals	21	17	24	11	26	21	9	10

Source: Project Sentinel, 2023.

Table 49: Dispute Cases by Age, 2015-2022

Age of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
<30	3	1	5	2	3	2	1	1
30-40	9	5	4	4	2	6	1	2
41-50	4	3	5	1	4	-	1	4
51-60	2	1	4	-	2	1	3	3
61-70	-	4	3	4	7	1	1	-
71-80	1	1	2	-	2	-	1	-
>80	1	2	1	-	-	-	-	-
N/A	1	-	-	-	6	11	1	-
Totals	21	17	24	11	26	21	9	10

Source: Project Sentinel, 2023.

Table 50: Dispute Cases by Race, 2015- 2022

Race of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
White	21	15	19	10	19	9	6	10
Black	-	1	3	-	1	1	1	-
Native American	-	1	-	-	1	-	-	-
Other/Multi-Racial	-	-	2	1	2	-	1	-
N/A	-	-	-	-	-	11	1	-
Totals	21	17	24	11	23	21	9	10

Source: Project Sentinel, 2023.

The City is including Program F - 1 to coordinate with Project Sentinel to conduct a workshop to inform residents of income protection and state rent control laws. Additionally, under Program F - 1, the City will continue to coordinate outreach efforts to inform landlords and tenants of recent change to state law. The City is including Program F - 2 to commit to work with the Fair Housing Provider to track number of households assisted in Gilroy annually. Under Program G - 8, the City will develop a Housing Help Center webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid. This webpage will consolidate existing information on the City's website with additional information provided by local service providers to best serve the needs of the Gilroy community.

The Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity (FHEO) enforces fair housing by investigating complaints of housing discrimination. Over the 7- to 8- period from 2013-2021, there were 15 fair housing inquiries filed with FHEO on behalf of the City of Gilroy. Three (3) inquiries referenced disability concerns, one (1) inquired on race, and the remaining 11 were found to have no identity-based inquiries. Of these inquiries, nine (9) were found to have no valid case of fair housing discrimination, five (5) failed to respond or continue further with the inquiry process, and one (1) resulted in other disposition. There are no outstanding lawsuits or complaints regarding fair housing in the City.

Integration and Segregation

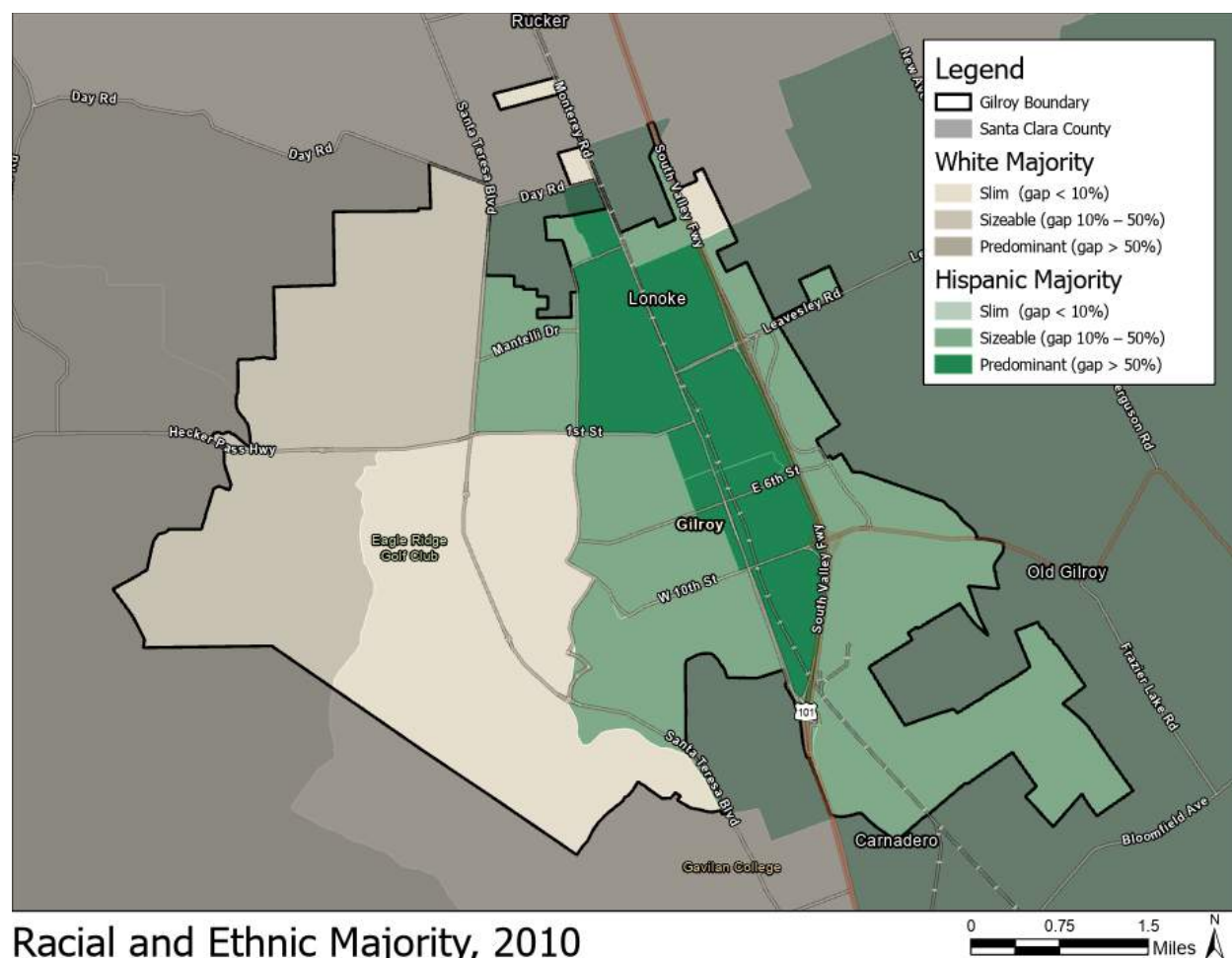
Race and Ethnicity

Figure 8 shows the racial and ethnic majority by census tract in the City of Gilroy. As illustrated, the western half of the City has a slim (<10%) to sizeable (10%–50%) White majority, while the eastern half of the City has areas with sizeable (10%–50%) to predominant (> 50%) Hispanic majorities. The tracts with Hispanic majorities have larger low- to moderate-income populations and a higher quantity of female-headed households than the majority White

tracts. The City is including a program to increase Spanish language engagement in order to target outreach to the Hispanic population (Program G - 7). The area with the predominant Hispanic majority also contains a R/ECAP. HUD defines R/ECAP as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Regionally, there is a common correlation between wealth and race, which may help explain the racial/income concentrations in the City. The City has a significantly larger Hispanic population (57.6 percent) in comparison to the County (25.1 percent). Gilroy has a much smaller Asian/Asian Pacific Islander (API) population (9 percent) compared to the County (37 percent), and a slightly smaller non-Hispanic White population (28 percent) compared to the County (32 percent).

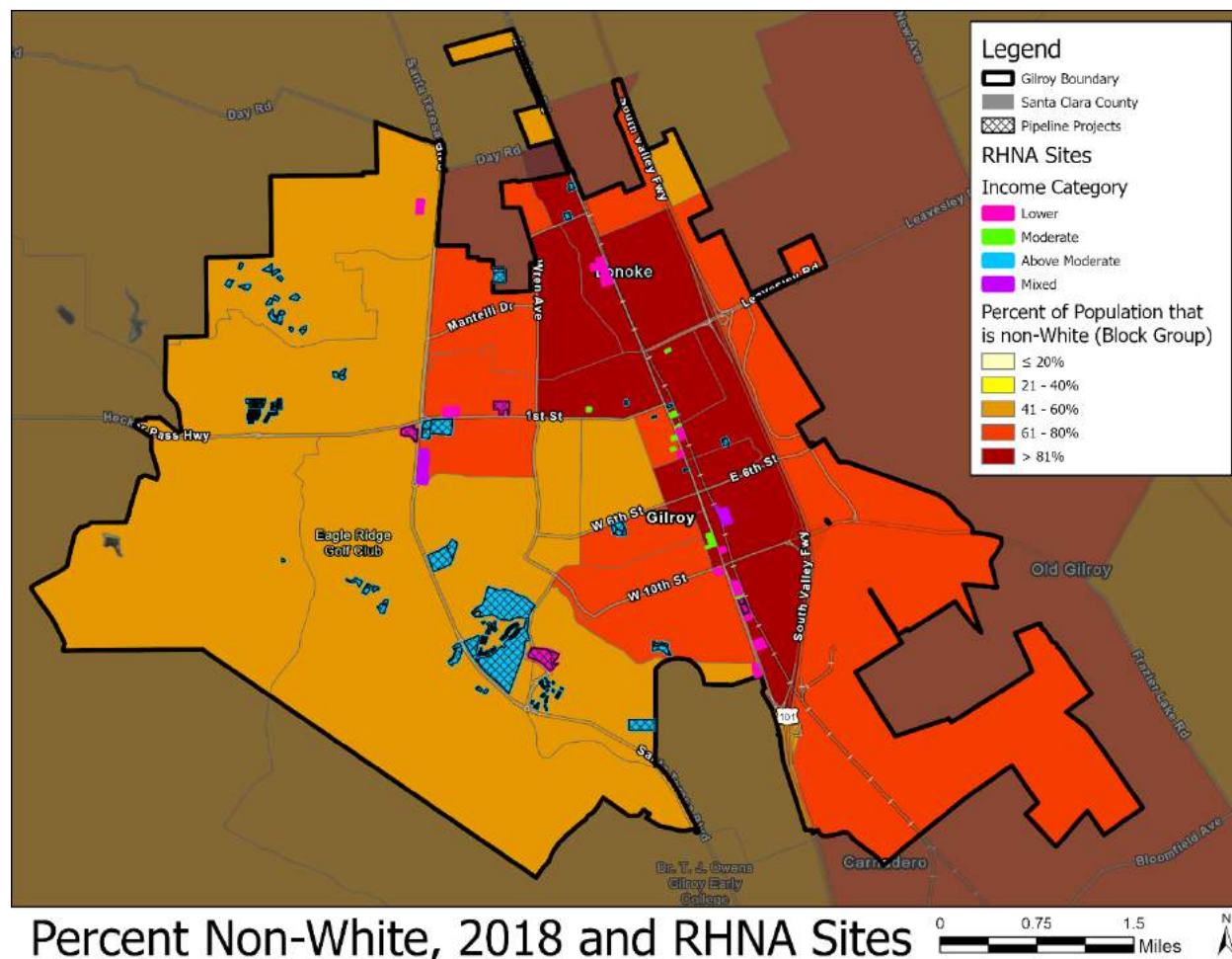
Figure 8: Racial and Ethnic Majority, 2010



As shown in Figure 9, there are no block groups in the City with a non-White population less than 41 percent. The area with the highest non-White percentage is also the area with the

R/ECAP. In the City, newer developed single-family housing is primarily available in the west, while the multifamily, more affordable housing opportunities are primarily available in the east of the City, where there is a larger non-White population. As of 2019, 72 percent of the City was non-White while 68 percent of the County was non-White, indicating that the overall distribution of the non-White population is similar between the City and the region as a whole.

Figure 9: Percentage of the Population that is Non-White, 2018



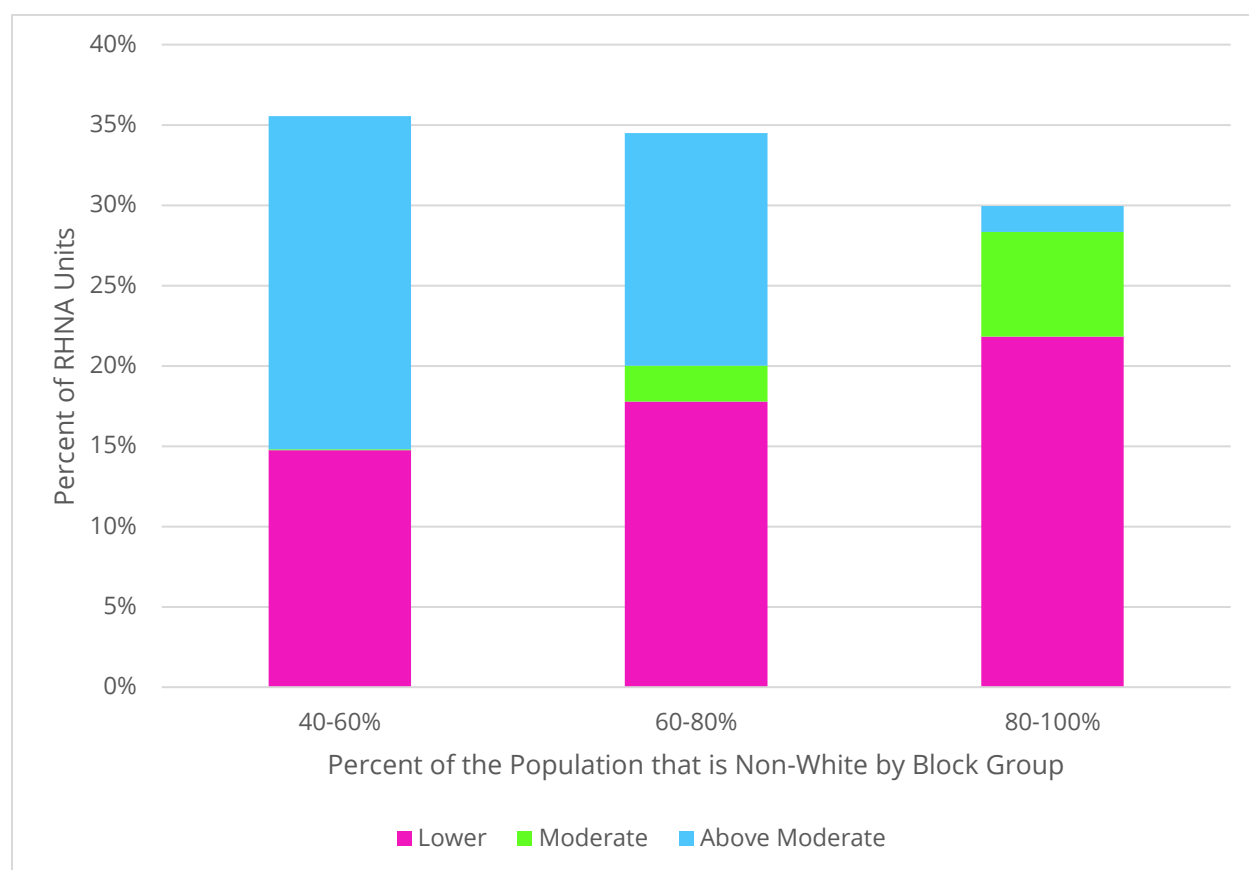
Source: HCD AFFH Data Viewer

Figure 10 compares the RHNA units with the percentage of the population that is non-White. While many sites are in the downtown area, where there is a large non-White population, this area is where the City is targeting revitalization, and place-based improvements, which includes plans for significant investment, further economic development, and a future high speed rail station.

The City is including Program F - 5, Displacement Prevention Policy, to ensure that existing residents are protected from displacement. Program F - 2 includes multilingual tenant counseling through a partnership with Project Sentinel. The City is also including programs to encourage development opportunities throughout the City, including Program G - 3 for ADU

outreach focused in the western portion of the City, Program A - 11 for adoption of an inclusionary housing policy, and Program A - 10 allowing triplexes and fourplexes that meet objective design standards to be approved ministerially on corner lots in the R1 and R2 zones. SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of middle-income housing throughout the City, including high-resource areas primarily comprised of detached single-family residences. The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Figure 10: Percent non-White Comparison of RHNA Units



Dissimilarity Index – Race and Ethnicity

Segregation is defined by the census as the spatial distributions of different groups among units in a metropolitan area.¹⁸ Segregation can be quantified by using the dissimilarity index. The dissimilarity index measures the distribution of two groups in a city and assigns a score

¹⁸ Measures of Residential Segregation. <https://www.census.gov/topics/housing/housing-patterns/guidance/appendix-b.html>

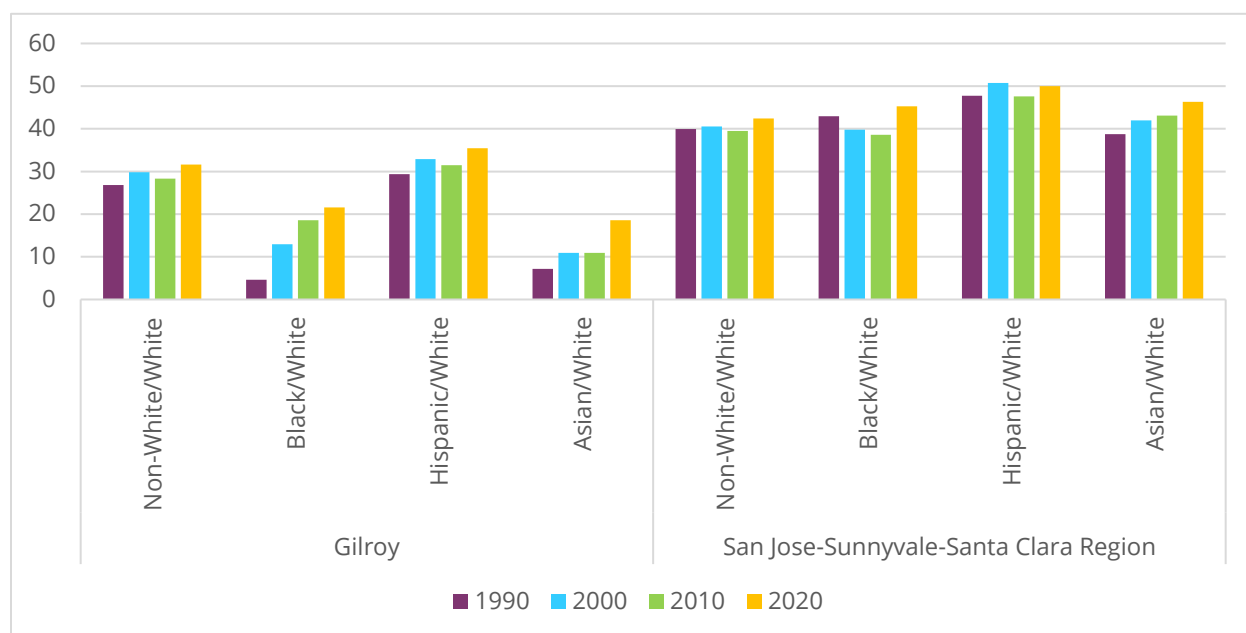
between 1 and 100. The level of segregation is determined by assessing what percentage of residents of a census block would have to move for each block to have the exact same population of said group. A score of zero (0) reflects a fully integrated environment; a score of 100 (or 100%) reflects full segregation. Therefore, a higher dissimilarity index indicates higher concentrations of the indicated ethnic groups in areas of the City, when compared to the White population distribution. A lower dissimilarity index implies higher integration, and a more even distribution of each ethnicity when compared to the White population. The formula for this calculation is provided by the HCD AFFH Guidance Document.

The categories for the dissimilarity index on a scale of 1-100 are as follows:

- <30: Low Segregation
- 30 – 60: Moderate Segregation
- >60: High Segregation

Figure 11 provides the dissimilarity index values in Gilroy, indicating the level of segregation between White residents and residents who are non-White, Black, Hispanic, or Asian. In 2020, there was moderate segregation between the Hispanic and White populations and low segregation between the Black and White populations, and between the Asian and White populations. A moderate dissimilarity index of 35.41 in the figure below means that 35.41 percent of Gilroy's Hispanic or White residents would need to move to a different census block to create balanced integration between Hispanic and White residents. Segregation at the City level is much lower than Santa Clara County as a whole.

Figure 11: Dissimilarity Index for Race



Source: HUD AFFH Data tool.

Income

The dissimilarity index can also be used to calculate income segregation, using the same scale as above. The segregation between below-moderate and above-moderate income groups is moderate. Regionally in the Bay Area, segregation is also moderate.

Table 51: Dissimilarity Index for Income

	2010		2015	
	Below 80% AMI / Above 80% AMI	Below 50% AMI / Above 120% AMI Dissimilarity	Below 80% AMI / Above 80% AMI Dissimilarity	Below 50% AMI / Above 120% AMI Dissimilarity
Gilroy	31.5	46.2	41.6	53.3
Bay Area	28.7	36.6	27.4	35.1

Source: Association of Bay Area Governments AFFH Data Report.

As shown in Figure 12, the area with a large low-to-moderate income population is also the area with a predominant Hispanic majority, and largest non-White population. This area is also where the R/ECAP is located. There is a large low- to moderate-income population in the area with more multifamily housing. Income often correlates with housing type—i.e., large single-family areas generally have higher incomes. Compared to the region, Gilroy has a lower median income and a higher income disparity.

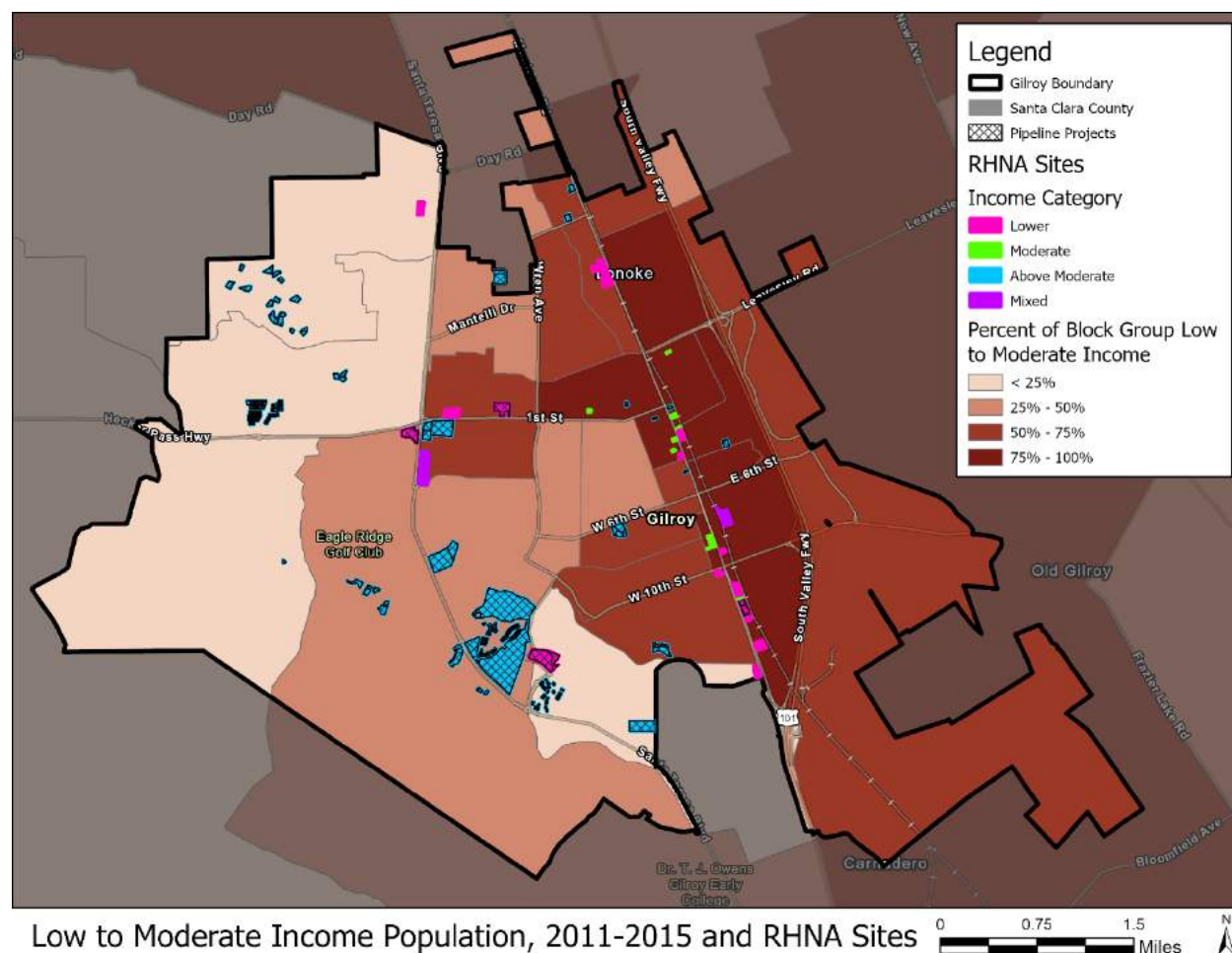
While a large percentage of the RHNA opportunity sites are in the area with the highest concentration of the low- to moderate-income population, this area also falls within downtown Gilroy, which provides residents with close access to transit, resources, and employment opportunities. The anticipated development of the future high-speed rail station is also expected to increase economic investment in the downtown. The Housing Element includes programs to help ensure redevelopment of nonresidential sites downtown and to minimize displacement. Programs include the creation of an inclusionary housing ordinance (Program A - 11), allowing 100% residential uses in the Downtown Expansion District (Program E - 12), multilingual tenant support in partnership with Project Sentinel (Program F - 2), and a displacement prevention policy (Program F - 5).

The City also has an affordable housing portfolio available to lower-income households, including ownership and rental units. The below market-rate units are administered by HouseKeys through Programs C - 1, C - 4, and C - 5, which include monitoring of units at risk of converting to market rate and resale/rent control on BMR units. There are over 400 units in the BMR program.

The City is including programs to encourage development opportunities in the western portion of the City that are not captured by the sites inventory. Programs include ADU tracking and monitoring (Program A - 6), adoption of an inclusionary housing policy (Program A - 11), allowing triplexes and fourplexes to be approved ministerially on corner lots in R1 and R2 zones (Program A - 10), and an incentives beyond density bonus state law policy (Program

A - 12). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8), and a program to replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County, and increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet (Program A - 15).

Figure 12: Low to Moderate Income Population and RHNA Sites, 2011-2015



Source: HCD AFFH Data Viewer

Figure 13 shows the percentage of RHNA units compared to the percent of each block group that is in the low- to moderate-income category. The lower- and moderate-income RHNA sites are proposed in the areas with a larger low- to moderate-income population to provide new housing opportunities without displacing current residents from their neighborhoods.

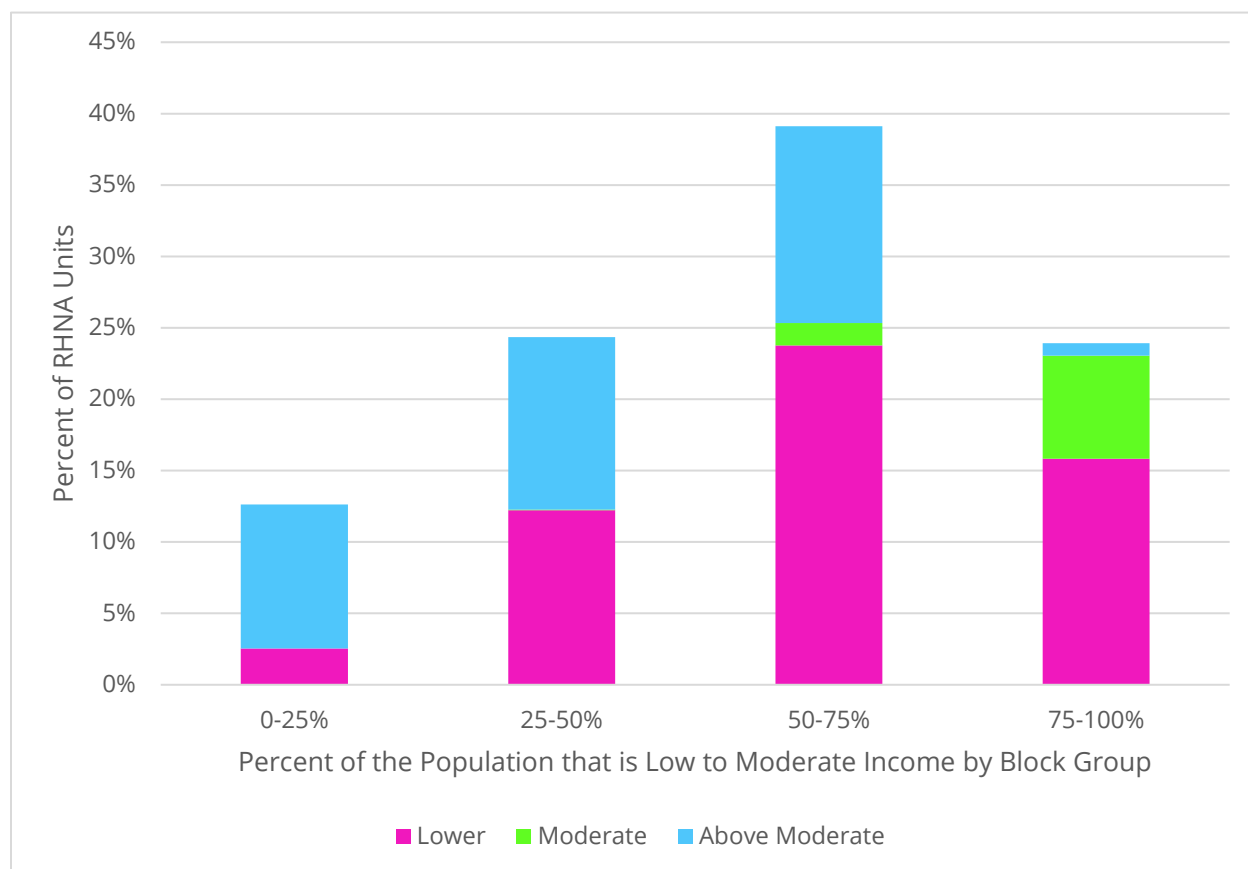
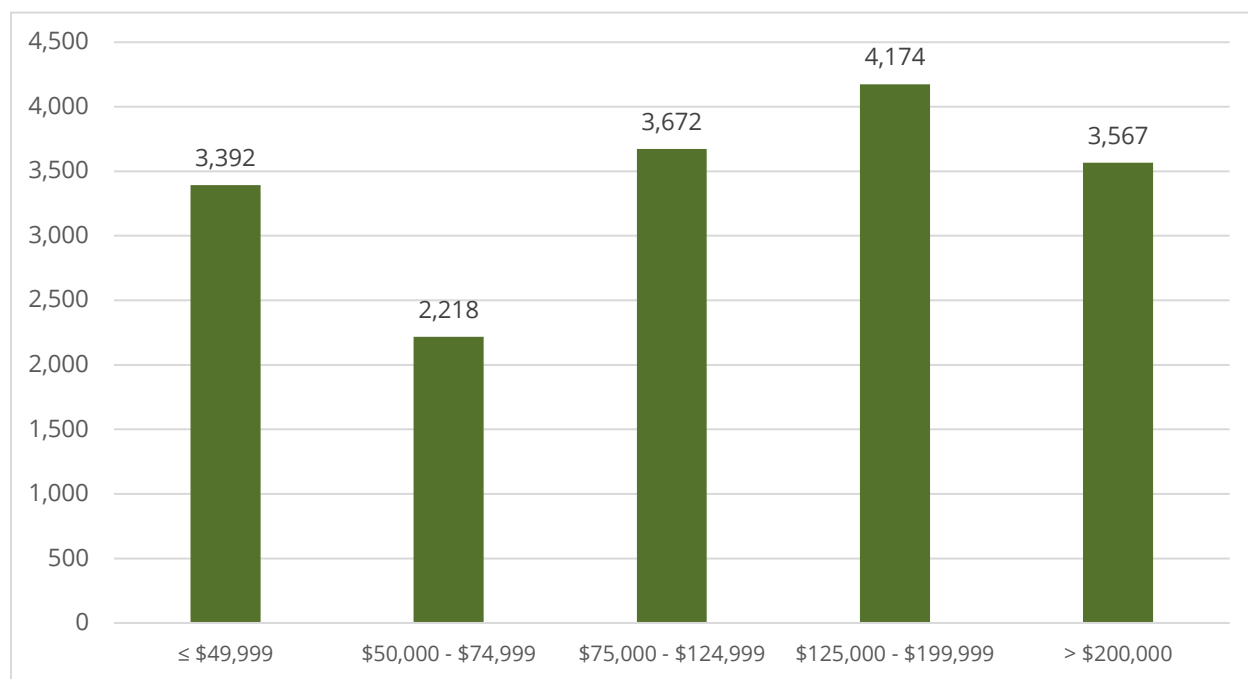
Figure 13: Low to Moderate Income Population Comparison of RHNA Units

Figure 14 shows the number of households with income levels similar to the income ranges provided by the HCD Income Limits. The moderate-income category has the largest percentage of the population, while the very low-income category has the smallest population. The remaining income categories have relatively comparable population sizes without extreme discrepancies.

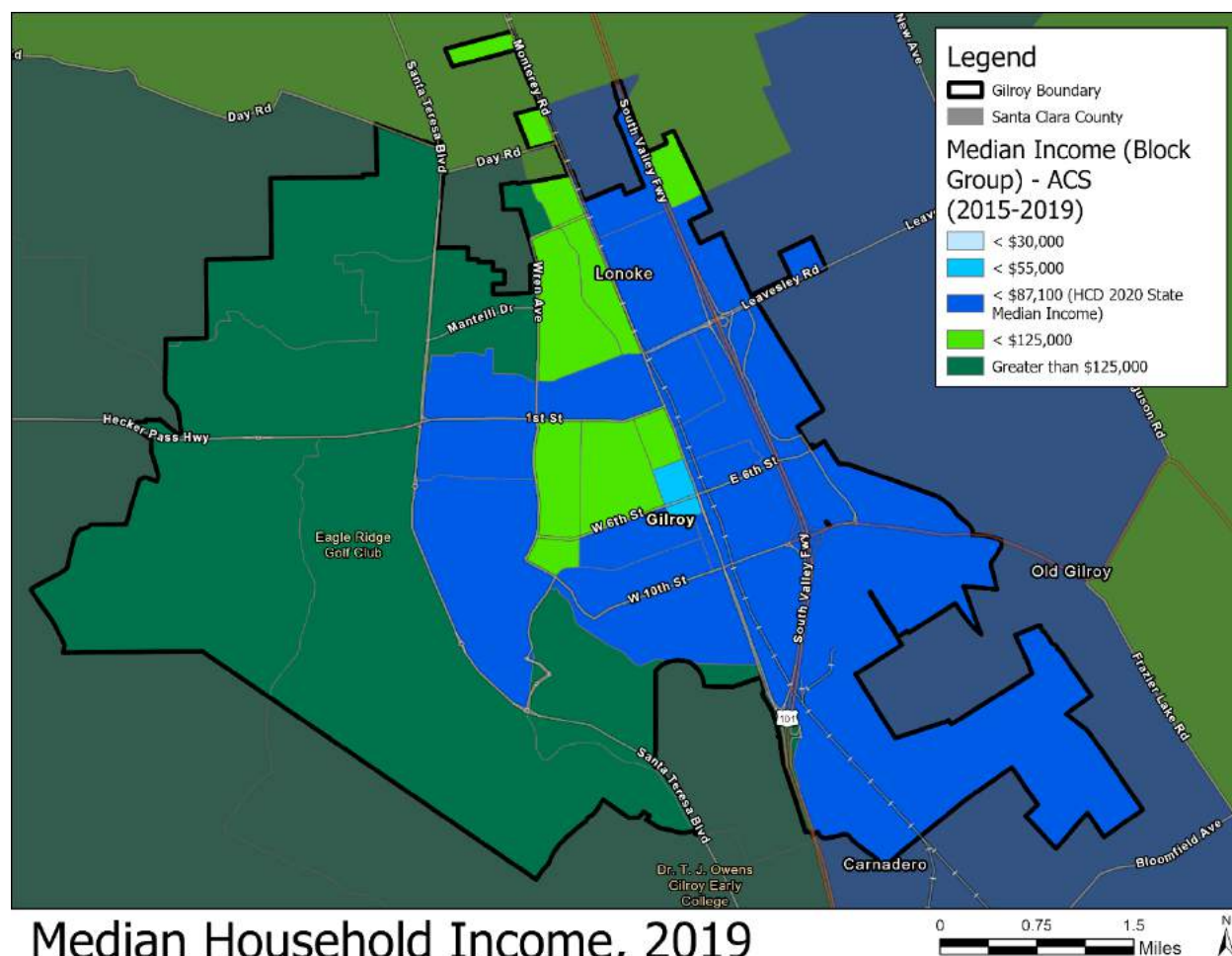
Figure 14: Households per Income Level, 2021

Source: 2021 ACS Table B19001

According to US Census 2015-2019 American Community Survey estimates, the median household income for Gilroy was \$101,616. This is about 18 percent lower than the Santa Clara County median household income of \$124,055.

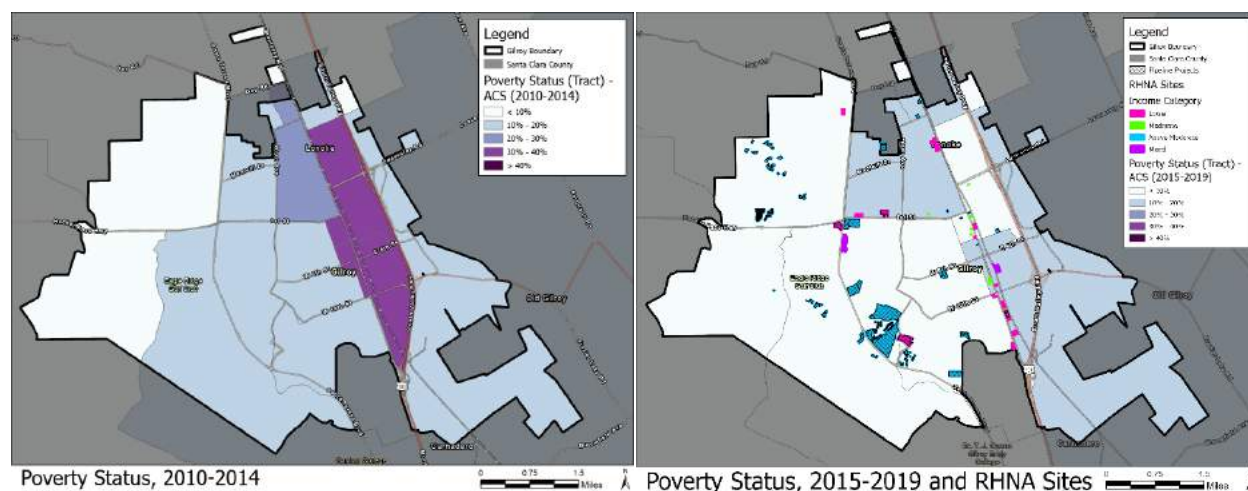
Figure 15 shows median household income by census block group. In Gilroy, the highest median household incomes are located in the western portion of the City, where there is more single-family zoning and open space. The lowest median incomes are in the central and eastern portions of the City, including downtown, which is the oldest area of the City.

The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Additionally, the block groups in the western region of Gilroy have the majority of their acreage outside of the City of Gilroy, making it likely that the small portion of tracts within the City are not primarily responsible for overall trends. Newer single-family development primarily occurs in the west and are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer western areas. The data collected through Program A - 6 (ADU Tracking and Monitoring) will help inform the City's efforts in Program A - 8 (Incentives for Affordable ADUs), to promote housing mobility and increased housing opportunities, including ADU production, in the western portion of the City.

Figure 15: Median Household Income, 2019

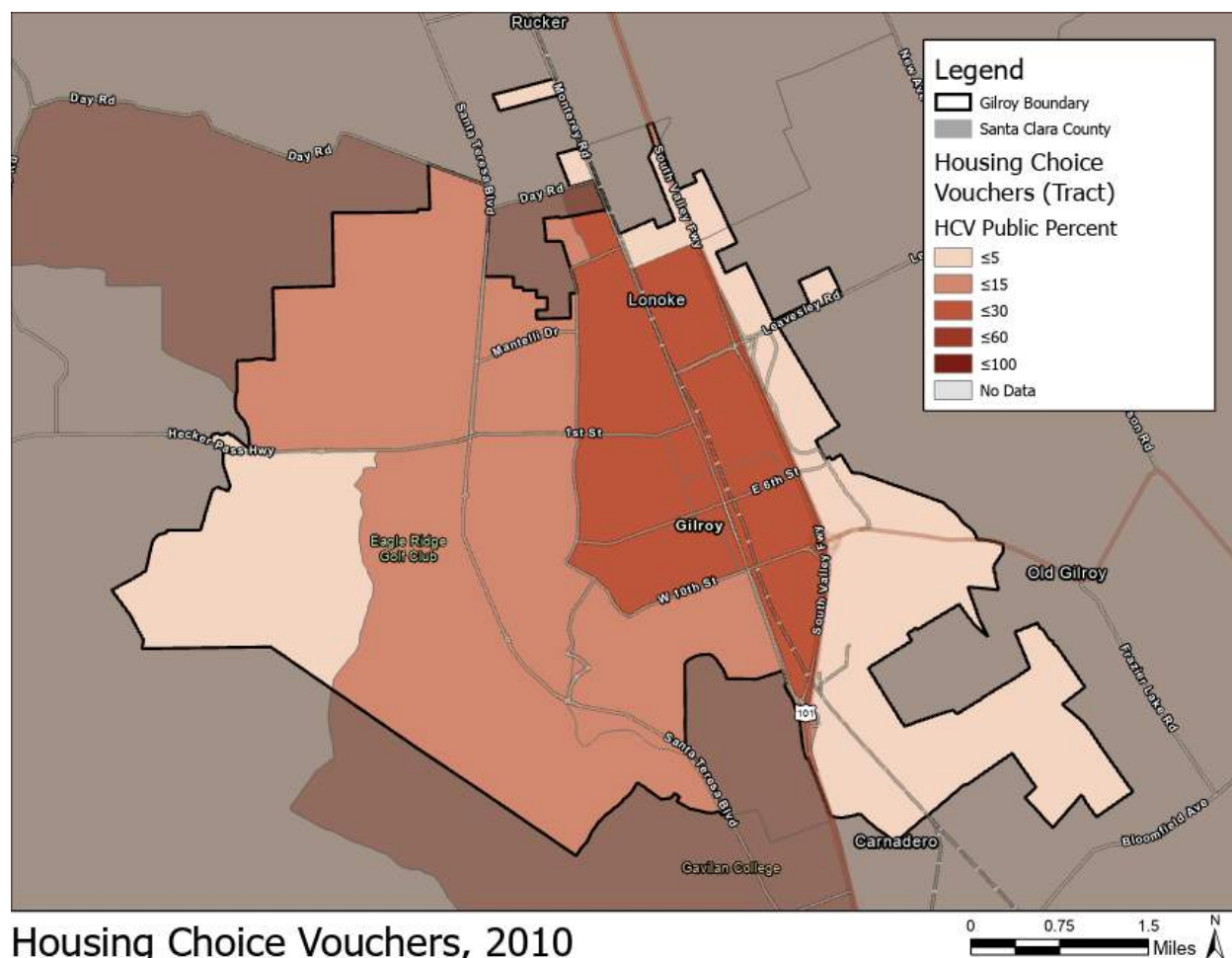
Source: HCD AFFH Data Viewer

Figure 16 shows the change in the population under the federal poverty line by census tract from 2010–2014 to 2015–2019. Poverty is defined by incomes falling below the annually defined thresholds for family size by the Census. Poverty levels in the eastern area, where the downtown R/ECAP is located, decreased significantly over this period. From 2010 to 2014, 30–40 percent of households in the eastern downtown R/ECAP area were living in poverty. Between 2015 and 2019, the percentage decreased significantly, with less than 20 percent, and in some cases less than 10 percent, of residents in this area living in poverty. Similarly, the number of impoverished residents in southern Gilroy decreased between 2010 and 2019, with less than 10 percent of these residents currently living in poverty. The 2015–2019 map shows lower levels of poverty Citywide and increased geographic parity. The 2015–2019 map also shows that pipeline projects and proposed RHNA Opportunity sites are spread throughout the City with more pipeline projects in the west and proposed RHNA sites in the east. It is the intent of the City's placed based improvements and revitalization efforts in the downtown R/ECAP area to further minimize poverty by providing safe affordable housing choices to residents living in this area.

Figure 16: Poverty Status, 2010-2014 and 2015-2019

Source: HCD AFFH Data Viewer

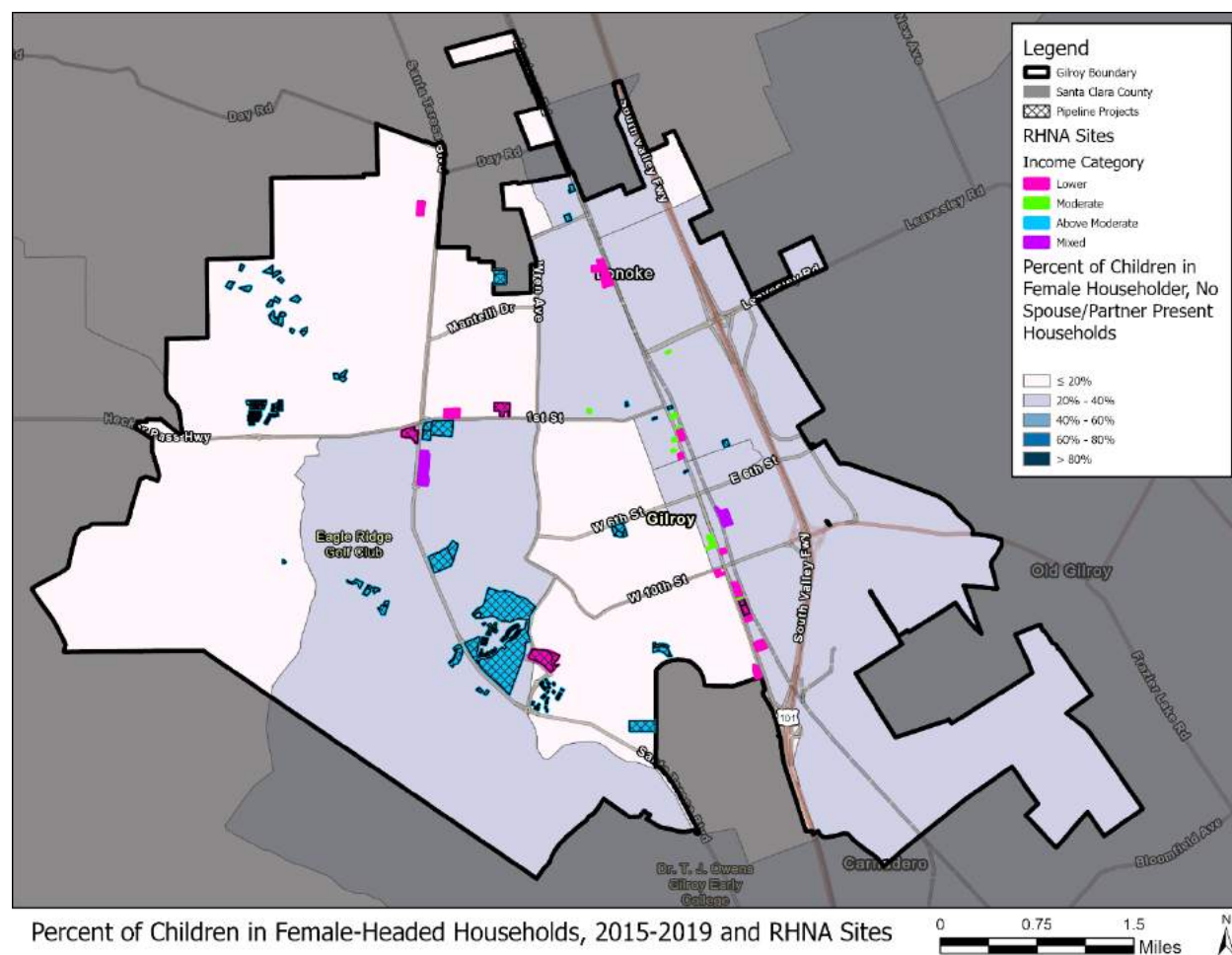
Figure 17 displays the distribution of housing choice vouchers in the City. The Santa Clara County Housing Authority (SCCHA) is the regional Public Housing Authority for the City of Gilroy and administers the Housing Choice Voucher (HCV) program (also known as Section 8). The HCV program is a 100 percent federally funded rental subsidy for low-income households living in privately owned rental units. The City does not own any public housing; however, the SCCHA owns and manages affordable housing units in Gilroy and throughout the County of Santa Clara. Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors. Many of the seniors in this housing complex use housing choice vouchers. There is little housing choice voucher use in the west side of the City. The majority of housing choice voucher usage is in the R/ECAP, where there is more multifamily housing and rental apartments.

Figure 17: Housing Choice Vouchers

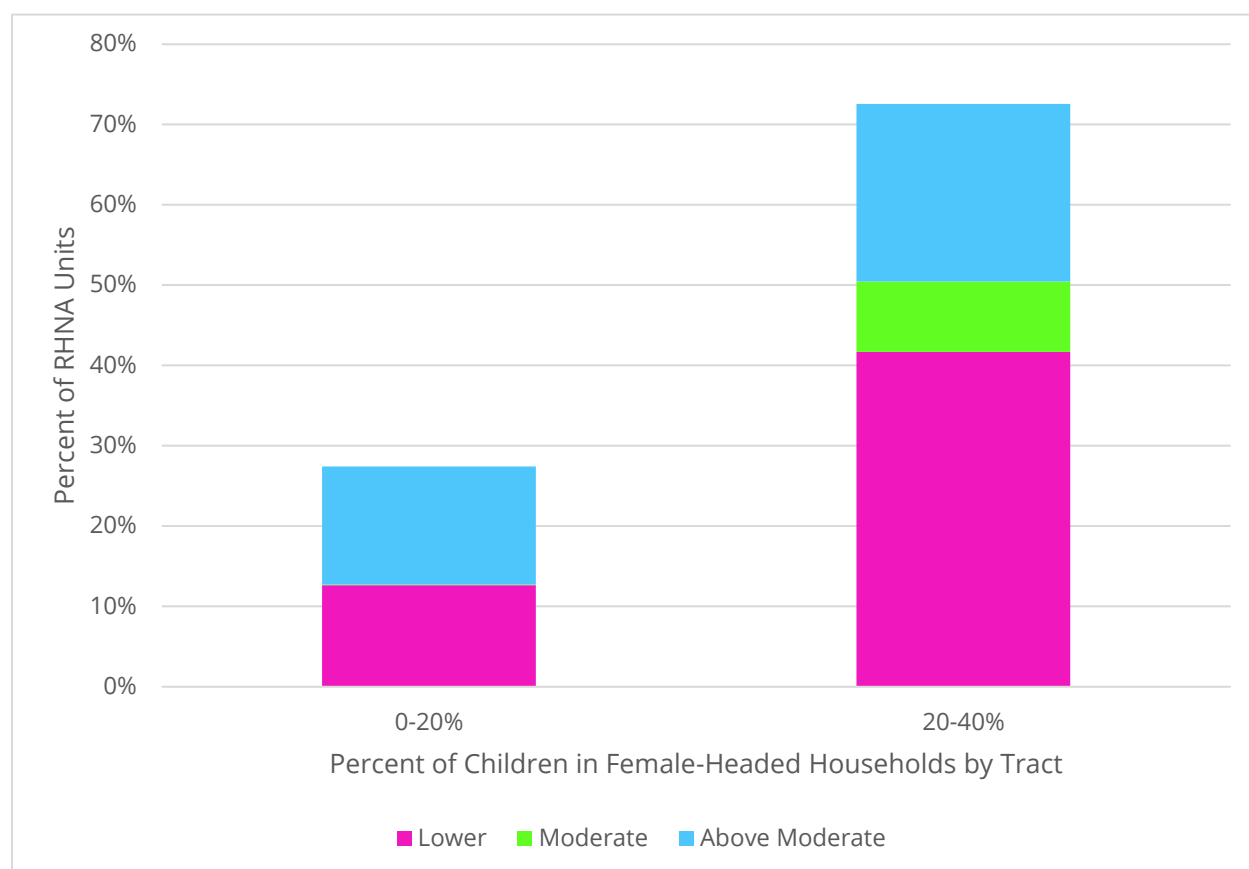
Source: HCD AFFH Data Viewer

Familial Status

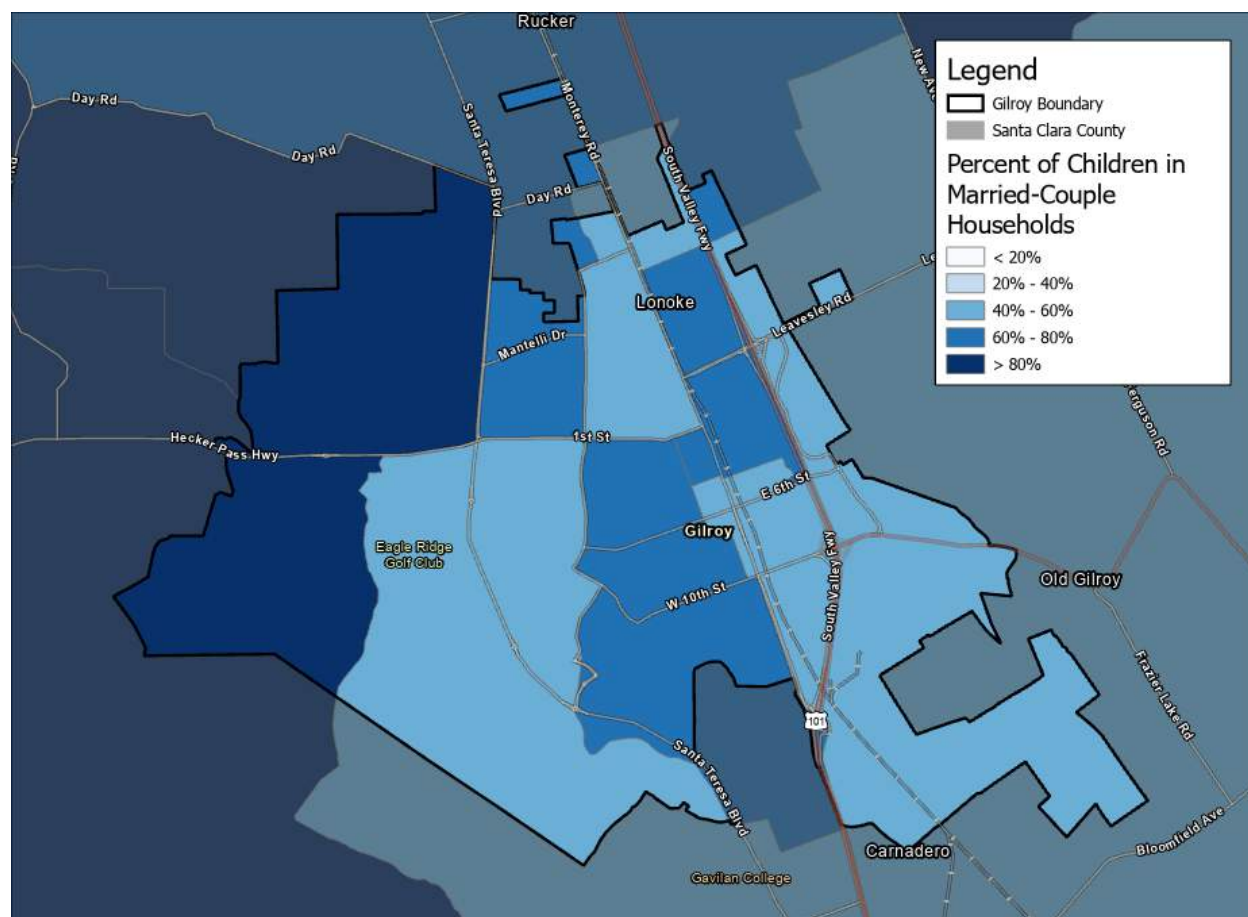
Figure 18 shows the percentage of children that are living in female-headed households with no spouse by census tract. It also shows pipeline projects and proposed RHNA Opportunity sites. In 2019, 2,616 households, or 16.2 percent of the total households in Gilroy, were female-headed households, which is about 6 percent higher than in the County, at 10 percent. There is no tract with a significant concentration of children in female-headed households. As shown in Figure 19, RHNA pipeline and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status. For example, 27.4 percent of the RHNA units are located in tracts where 0-20% of children are living in female-headed households with no spouse.

Figure 18: Children in Female-Headed Households and RHNA Sites

Source: HCD AFFH Data Viewer

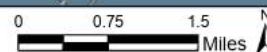
Figure 19: Female Headed Households Comparison of RHNA Units

As shown in Figure 20, areas with high concentrations of children in married-couple households are also areas with large numbers of single-family households. In Gilroy, 30.5 percent of households are married-couple households with children present, compared to 26.6 percent countywide. RHNA pipeline and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status.

Figure 20: Children in Married-Couple Households

Children in Married Couple Households, 2015-2019

Source: HCD AFFH Data Viewer



Persons with Disabilities

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for these special needs group. The 2019 American Community Survey estimates that 8 percent of Gilroy, 8 percent of Santa Clara County, and 10 percent of the Bay Area region have a disability.¹⁹

The types of disabilities included in the Census are:

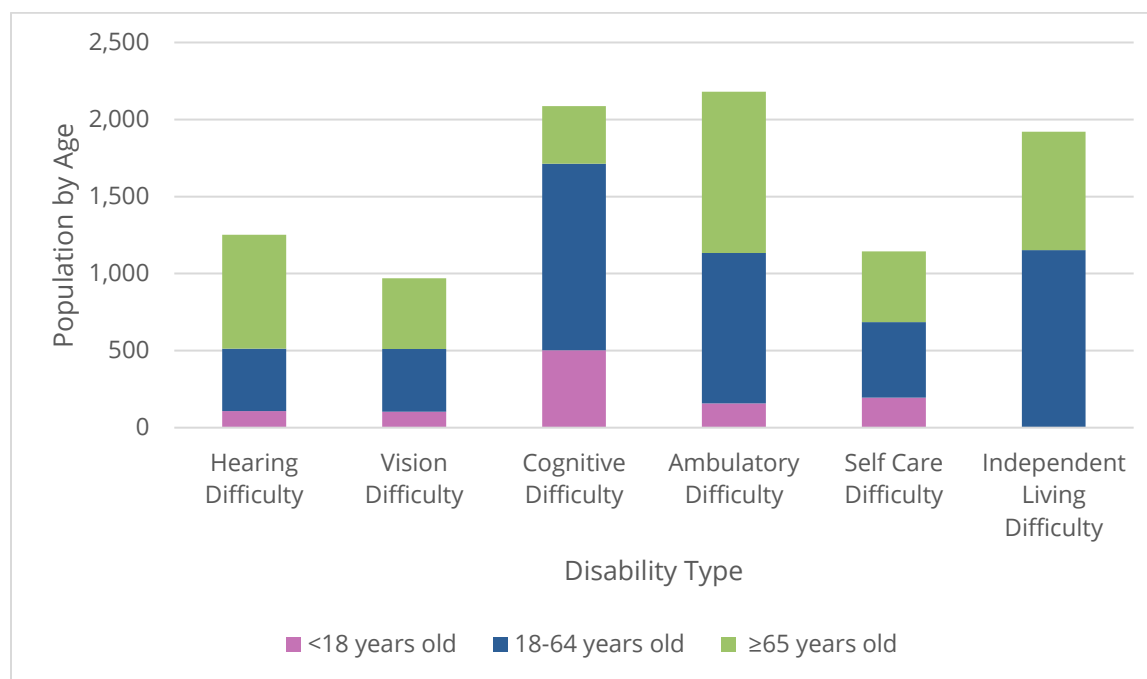
¹⁹ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101

- Hearing difficulty: deaf or has serious difficulty hearing
- Vision difficulty: blind or has serious difficulty seeing even with glasses
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions
- Ambulatory difficulty: has serious difficulty walking or climbing stairs
- Self-care difficulty: has difficulty dressing or bathing
- Independent living difficulty: has difficulty doing errands alone, such as visiting a doctor's office or shopping

Figure 21 shows an estimate of the number of Gilroy residents with disabilities by type of disability and age group. The most prevalent types of disability are cognitive, ambulatory, and independent living difficulty. Note that individuals may have more than one type of disability.

Ambulatory issues are the highest reported disability countywide. A large population with walking difficulty creates a need for single-story housing, elevators, transit access, wheelchair access, larger homes for live-in help, and proximity to health facilities.

Figure 21: Disability Characteristics, Gilroy, 2019



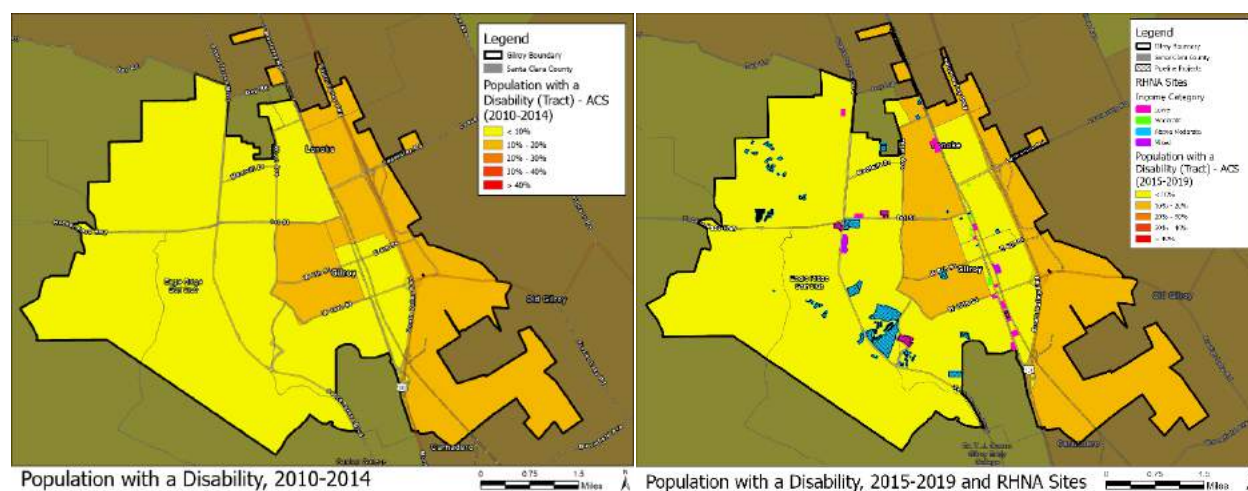
Source: 2019 ACS B18108.

Figure 22 shows that the disabled population is relatively evenly distributed throughout Gilroy. There were no significant changes in location or concentration of those with a disability from 2010–2014 to 2015–2019. There is no area of the City with an extreme concentration of persons with disabilities. The area in the east of the City with a larger low- to moderate-income population and larger non-White population does have a slightly larger disabled population, though the difference is minimal. Furthermore, the west tracts have more open space and

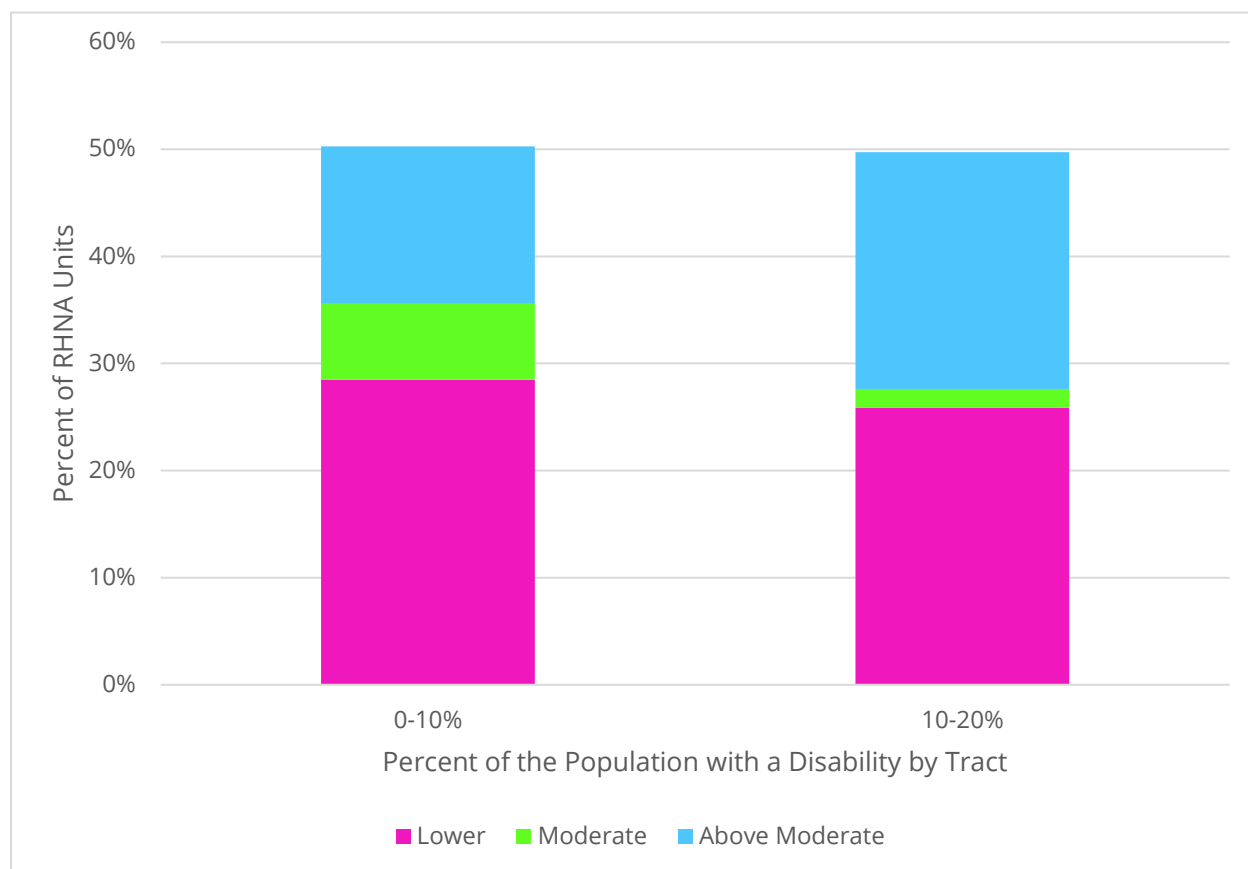
agriculture, so the population is generally more concentrated in the east, which may skew data perception. A larger or more concentrated disabled population may indicate a greater need for access to health care. However, health care facilities are also more concentrated in the areas to the east.

Figure 22 also shows pipeline and proposed RHNA Opportunity sites in the context of persons with a disability. As shown in Figure 23, the RHNA sites are relatively evenly distributed between areas with higher and lower concentrations of the disabled population. For example, 50.3 percent of the RHNA units are located in the area where 0-10% of the population has a disability. As such, the sites are not expected to cause fair housing concerns as they relate to residents with a disability.

Figure 22: Population with a Disability, 2010-2014 and 2015-2019



Source: HCD AFFH Data Viewer

Figure 23: Population with a Disability Comparison of RHNA Units**Local Data**

On January 24, 2023, in collaboration with Housing Choices, the City held a virtual meeting with intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), with representatives from Housing Choices and the San Andreas Regional Center in attendance.

I/DD participants expressed a need for extremely low-income housing since I/DD individuals generally rely on social security income. The City is including Programs A - 6, A - 7, and A - 8 to promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide I/DD individuals and their caregivers an alternative housing supply. Program A - 11 (inclusionary housing policy) and Program A - 12 (incentives beyond Density Bonus state law) will help facilitate the production of extremely low-income households and housing mobility for the I/DD community in higher opportunity areas. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as persons with disabilities.

I/DD participants also expressed a need for project-based vouchers. The City is including Programs A - 8 and D - 3, which include providing financial assistance for homeowners who build ADUs with an affordability restriction or commitment to offering project-based vouchers.

The City will notify interested residents and provide technical assistance to residents who need help applying to the Santa Clara County Housing Authority (SCCHA) voucher program.

Another identified need was housing and services for both independent living and supportive living skills. For many in need of independent living assistance, ADUs may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes pre-designed “model” plans for ADUs that meet zoning, building, and fire codes. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Findings

Overall, the City of Gilroy has higher concentrations of non-White and low- to moderate-income residents in the eastern portion of the City. This area saw a reduction over time in households under the federal poverty level, from 30-40 percent in 2010-2014 to either 10-20 percent or less than 10 percent in 2015-2019. This area is also where housing choice voucher use primarily occurs. Many of the proposed RHNA Opportunity sites are located in this area, which includes placed-based improvements in the Downtown Specific Plan area, including the future high-speed rail station. The selected RHNA sites are not anticipated to cause displacement or worsen patterns of segregation. The City is including programs to address needs in the downtown. These programs include an inclusionary housing policy (A - 11), multilingual tenant outreach in partnership with Project Sentinel (F - 1), a displacement prevention ordinance (F - 5), and place-based improvements in this area (F - 3).

Much of the western portion of Gilroy was developed relatively recently, leaving few vacant or underdeveloped sites that would likely be redeveloped during the 2023-2031 eight-year planning cycle. Furthermore, most of the remaining undeveloped parcels on the west side do not meet the size requirements for lower-income units. However, the City is including programs to encourage development opportunities in the western portion of the City, including an ADU tracking and monitoring (Program A - 6), adoption of an inclusionary housing policy (A - 11) to provide integrated and affordable housing, and allowing triplexes and fourplexes meeting objective design standards to be approved ministerially on corner lots in the R1 and R2 zones (Program A - 10). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Racially and Ethnically Concentrated Areas of Poverty and Affluence

R/ECAPs

HUD defines R/ECAPs as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Gilroy has a R/ECAP in Census Tracts 5126.03 and 5126.04. The tracts are shown in Figure 25 along with the proposed RHNA sites by their income levels. The tracts include the Downtown Specific Plan area and the future high-speed rail station, which will increase access to transit options and employment centers for potential residents. Existing and proposed transit bring the opportunity for transit-oriented development to the R/ECAP area. The downtown area has excellent proximity to commercial and employment resources and opportunities. Additionally, placing new housing sites in this area allows lower-income residents to stay in their neighborhood and take advantage of new, high-quality housing with new amenities. The location of RHNA sites in the R/ECAP will not exacerbate or create any additional R/ECAPs.

Figure 26 compares the percent of RHNA units within the R/ECAP area by their income levels, illustrating that the majority of the RHNA units are located in non-R/ECAP areas. About 24.7 percent of units from pipeline projects and potential RHNA Opportunity sites are proposed in the R/ECAP. Less than 30 percent of lower-income units are in the R/ECAP. This area is also designated for higher density housing options in a smart growth pattern with access to transit, employment, and service uses and facilities. Furthermore, planning for more affordable units in this area will help minimize displacement of existing residents when older properties are redeveloped.

Less than 25 percent of the RHNA units are in the R/ECAP. The City encourages development and redevelopment in the older downtown R/ECAP, as this is an efficient area with transit, employment, and services. These tracts are also where participants of the focus groups and local housing service providers specifically advocated for new housing. The High Resource areas of Gilroy in the northwestern tracts are newly developed, single-family, steep and hilly, and less likely to develop or redevelop. This area is the most distant from transit, employment, and services and would likely not score well for affordable housing financing. Despite mapped disparities in opportunity indices, lower-income residents have greater access to job and transit opportunities in the lower resource area. Placed based improvements planned and currently financed for this area and other Programs, efforts, and opportunities described below will improve conditions rather than exacerbate existing conditions.

As a part of the 2040 General Plan update, the City adopted an Environmental Justice Element focused on the eastern portion of the City, including the R/ECAP. The Environmental Justice Element includes programs to improve the quality of life in the R/ECAP.

The two census tracts that make up the R/ECAP are also qualified Opportunity Zones as designated by the Tax Cuts and Jobs Act of 2017. Opportunity Zones are designated census tracts where new investments may be eligible for preferential tax treatment. The Opportunity Zones designator helps spur economic investment by providing tax incentives that defer or eliminate federal taxes through a temporary deferral, step-up in basis, or permanent exclusion. These census tracts are also qualified census tracts in the New Market Tax Credit program, which incentivizes community development and economic growth by using tax credits.

The City is including multiple programs to ensure that the sites in the R/ECAP improve conditions rather than exacerbate existing conditions. These include place-based

improvements (Program F - 3), a displacement prevention policy (Program F - 5), increased outreach in downtown areas (Program G - 4), and fair housing support through partnerships with Project Sentinel (Programs F - 1 and F - 2).

Place-based improvements in 2023 include the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.
- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities approved by the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

As shown in Figure 24, the City is using CDBG funding to improve the quality of life, infrastructure, neighborhood conditions, and ADA improvements throughout the City, including in the R/ECAP. Pavement rehabilitation is being targeted at:

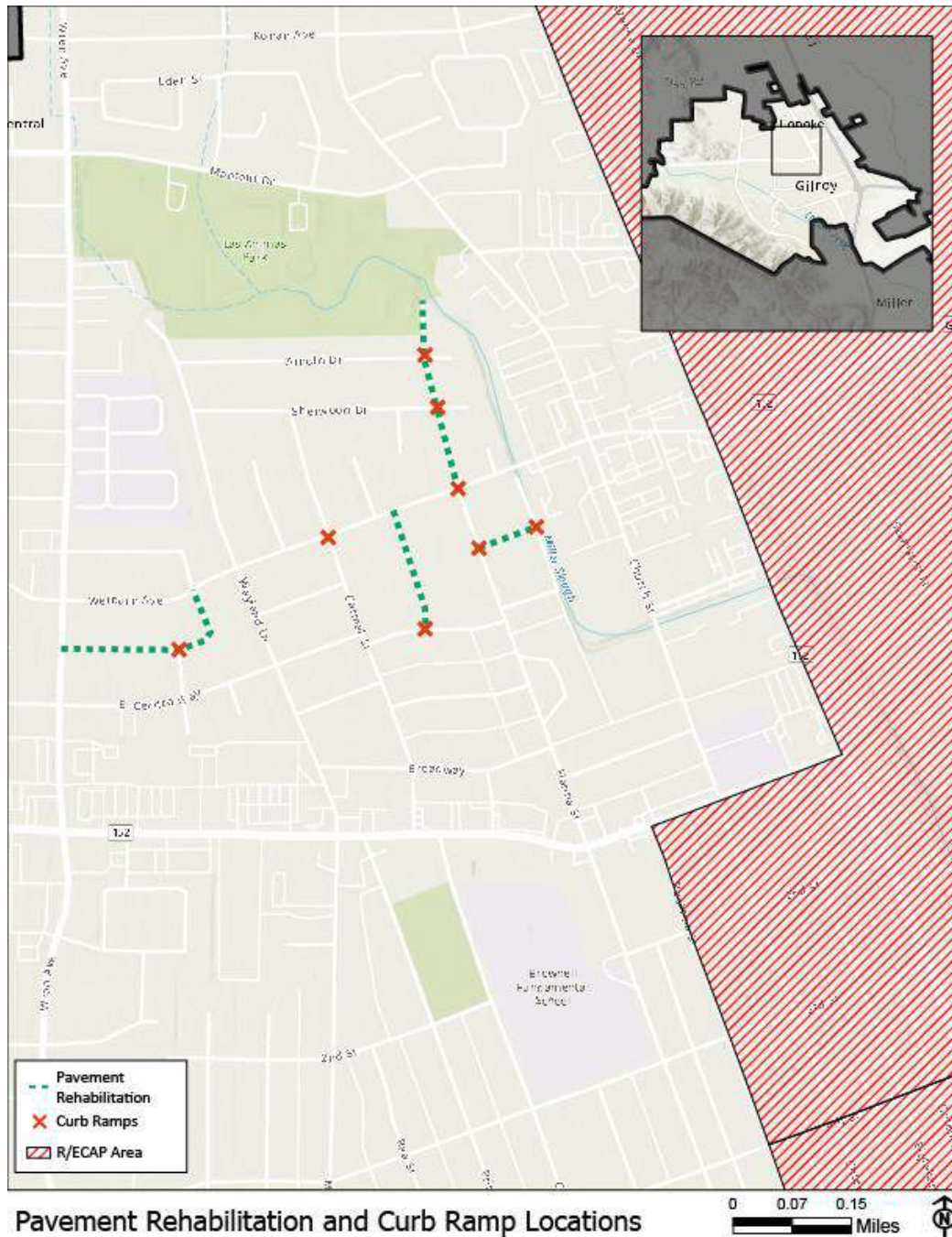
- Hanna Street from Welburn Avenue to its northern terminus
- El Toro Drive from Hanna Street to La Coche Way
- Glenwood Drive from Welburn Avenue to El Cerrito Way
- La Paloma Way from Wren Avenue to Welburn Avenue

Additionally, curb ramps are being installed at the following street corners:

- La Paloma Way / Chiesa Drive
- Welburn Avenue/ Carmel Street
- El Cerrito Way / Glenwood Drive
- Welburn Avenue / Glenwood Drive

- El Toro Drive / Hanna Street
- El Toro Drive / La Coche Way
- Hanna Street / Welburn Avenue
- Hanna Street / Sherwood Drive
- Hanna Street / Arnold Drive

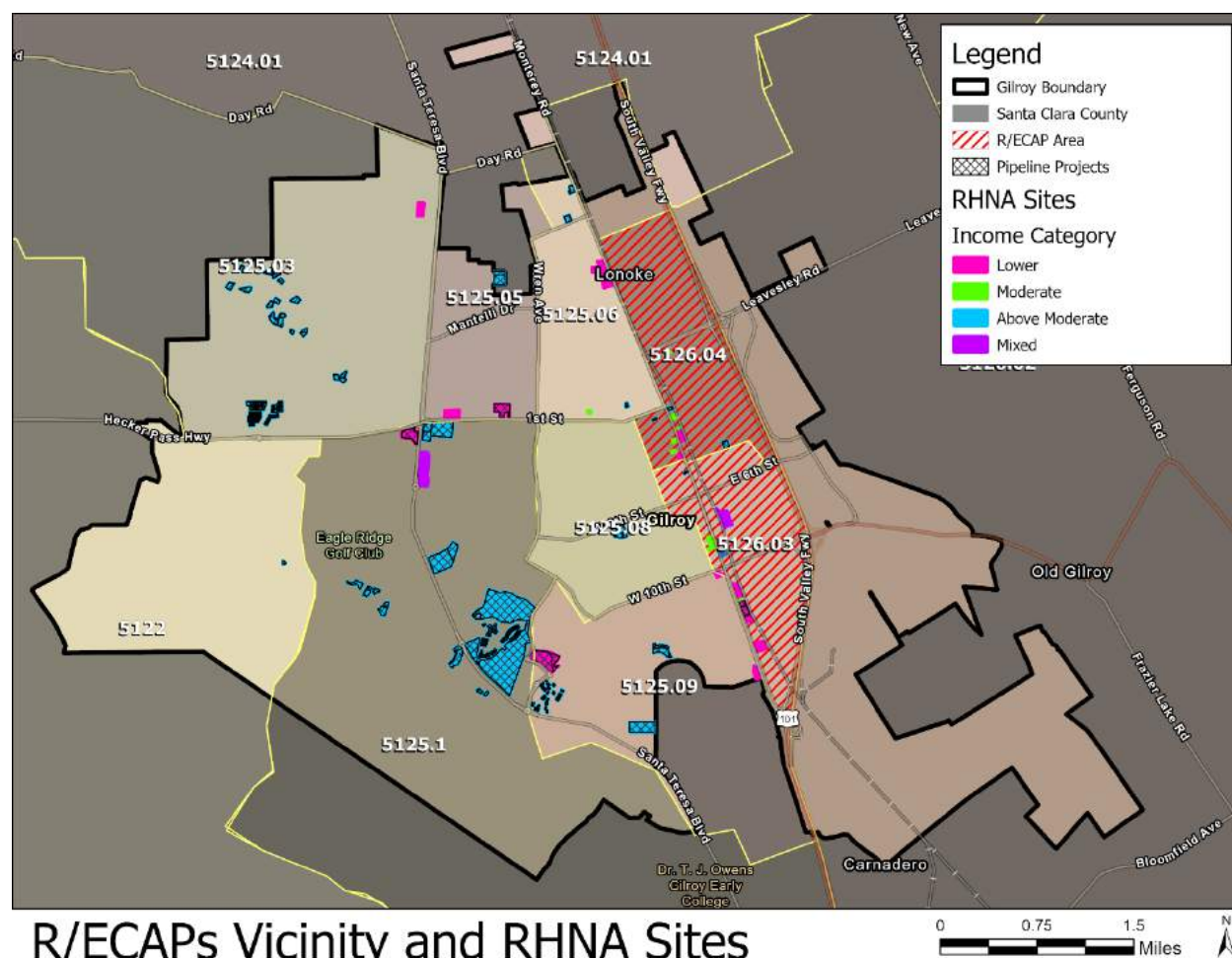
Figure 24: Infrastructure Improvements



Local Data

In March 2023, the City's code enforcement officers noted that improvements to sidewalks are being made throughout the City, without an area of concentration. The code enforcement officers also noted that community amenities such as health clinics and hospitals are concentrated in the eastern areas of the City, making these resources accessible to those in the R/ECAP area. They also noted that transit routes are more accessible on the east side, where the R/ECAP is located, and is only minimally accessible in the higher resource western areas of the City. Grocery stores are well distributed throughout the City, including the eastern R/ECAP area.

Figure 25: R/ECAPs in the City and Vicinity



Source: HCD AFFH Data Viewer

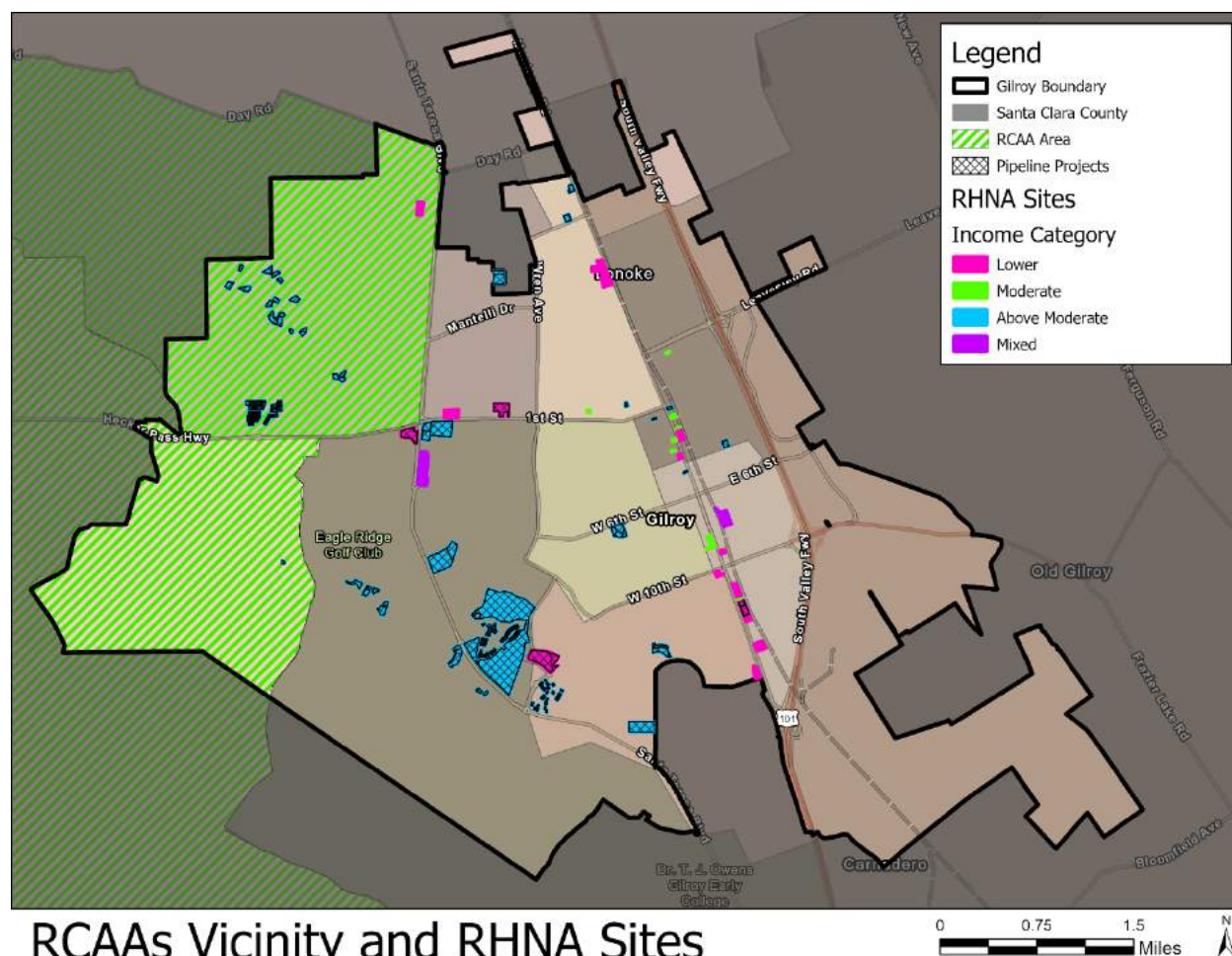
As shown in Figure 26, the majority of the RHNA units are located in non-R/ECAP areas. The City is including multiple programs to ensure that the units that are included in the R/ECAP improve conditions rather than exacerbate existing conditions.

Figure 26: Presence of a R/ECAP Comparison of RHNA Units

Racially Concentrated Areas of Affluence

HUD defines RCAAs as areas where the percentage of the population in a tract that is White is over 1.25 times the average percentage of the population that is White in the given Council of Governments (COG) region and median income is 1.5 times higher than the COG or State AMI, whichever is lower.

The City of Gilroy has an RCAA area along the western portions of the City. The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Additionally, these census tracts have the majority of their acreage outside of the City of Gilroy, making it likely that the small portion of tracts within the City are not primarily responsible for this overall designation. However, newer single-family development primarily occurs in these areas. Newer large homes are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer areas. The data collected through Program A - 6 (ADU Tracking and Monitoring) will help inform the City's efforts in Program A - 8 (Incentives for Affordable ADUs), to promote housing mobility and increased housing opportunities including ADU development in the western portion of the City.

Figure 27: RCAAs Vicinity and RHNA Sites

Source: HCD AFFH Data Viewer

Disparities in Access to Opportunities

California Tax Credit Allocation Committee (TCAC)

One tool that can be used to analyze disparities in access to opportunities is the California Tax Credit Allocation Committee's (TCAC) Opportunity Area scores. These were prepared by a task force commissioned by the TCAC and HCD to identify areas statewide whose economic, educational, and environmental characteristics support positive outcomes for low-income families. The map is updated annually. Opportunity maps are made for three domains: economic, environmental, and education. Each map uses categorical indicators to determine its individual score. A composite score and resource designation combining all three designations is then assigned to each block group.

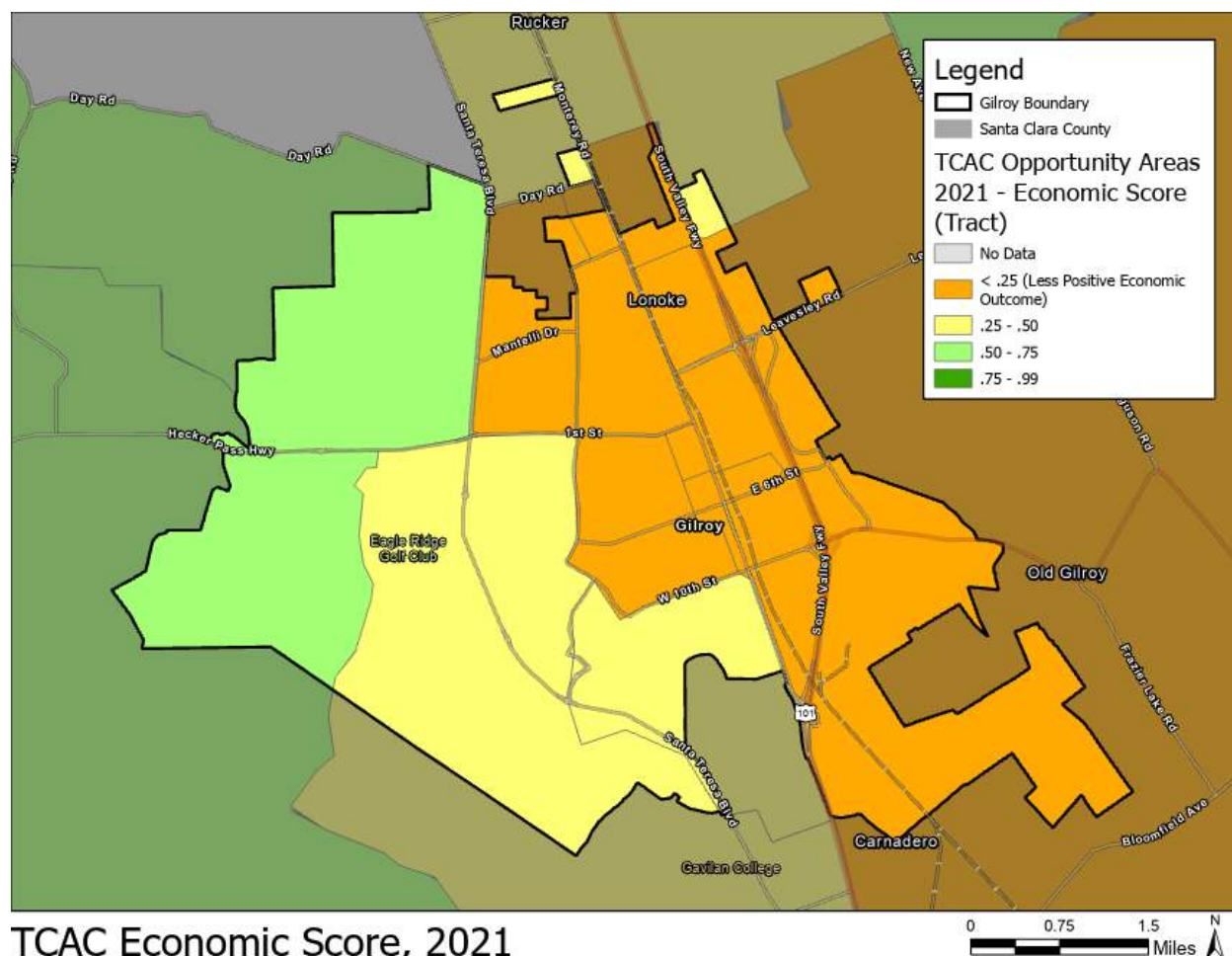
To determine the final resource category, the top 20 percent of overall scores in a county are labeled as highest resource and the next 20 percent of scores are labeled as High Resource. Then, any area that is considered segregated and that has at least 30 percent of the population

living below the federal poverty line is labeled as an area of High Segregation and Poverty. Any remaining uncategorized areas in the County are evenly divided between Moderate Resource and Low Resource areas. The rationale and metric for each indicator is described in more detail in current guidance documents for the California TCAC program.²⁰ Additional information regarding these indicators in Gilroy are provided on the following pages.

Economic Indicators

Economic indicators include poverty, adult education, employment, job proximity, and median home value. The scores for Gilroy are shown in Figure 28. Gilroy has more positive economic scores in the west, and less positive scores in the eastern parts of the City. The less positive scoring area includes the R/ECAP, while the more positive scoring area contains single-family homes. The more positive scoring area also has some open space, which may slightly skew results. The City is located far away from major regional job centers. For this reason, the City also trends lower in score when compared to the region as a whole.

²⁰ <https://www.treasurer.ca.gov/ctcac/opportunity/2022/2022-hcd-methodology.pdf>

Figure 28: TCAC Economic Score, 2021**TCAC Economic Score, 2021**

Source: HCD AFFH Data Viewer

Education Indicators

Education indicators include math and reading proficiencies of fourth graders, high school graduation rates, and the student poverty rate. The entirety of Gilroy is served by the Gilroy Unified School District, which includes 11 elementary schools, 6 middle schools, and 6 high schools. According to Great Schools, 31 percent of schools in the district are rated below average, 44 percent are rated average, and 25 percent are rated above average.²¹

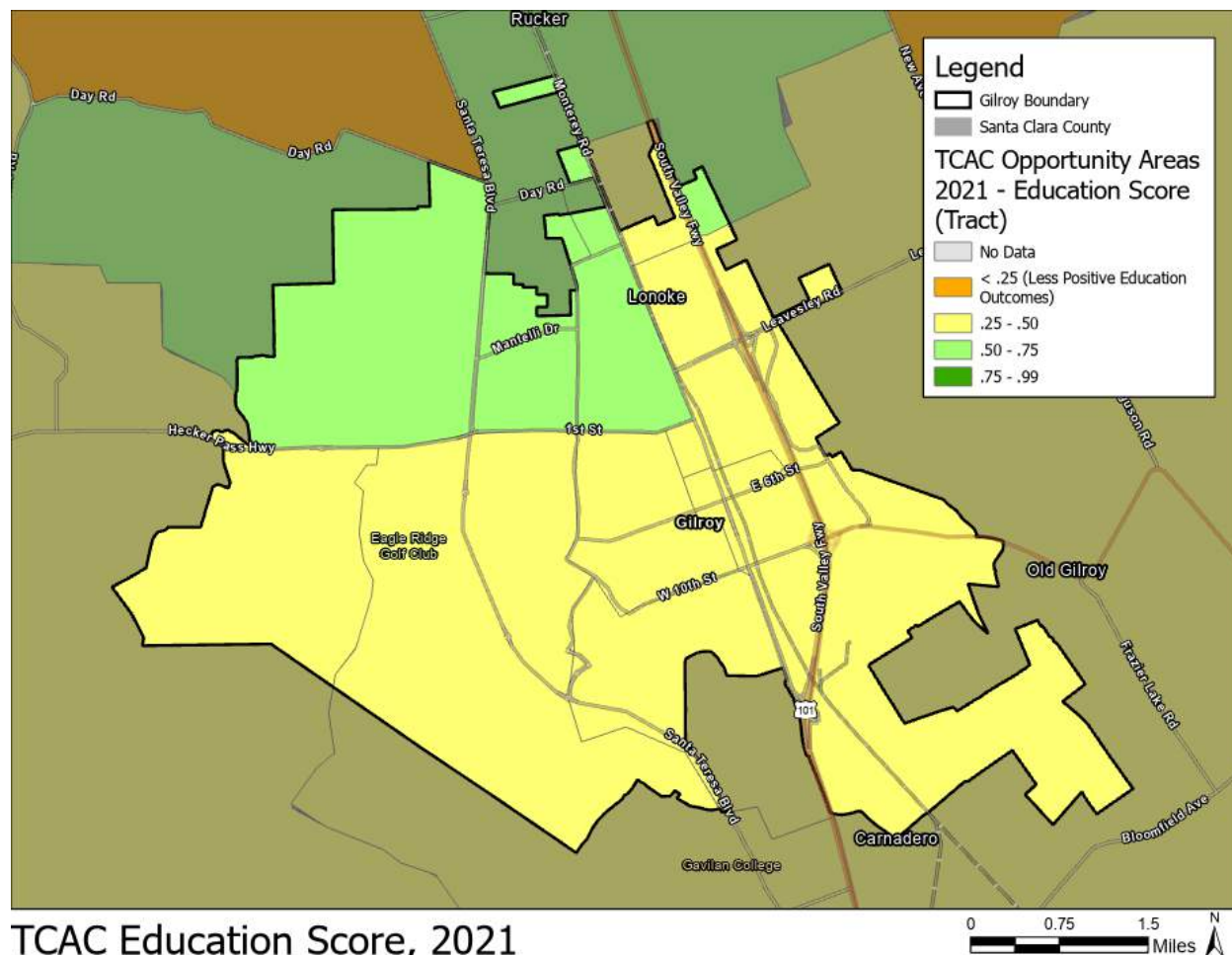
The Gilroy Unified School District has a Migrant Education Program which aims to ensure that all migrant students experience a high-quality education. This program includes actions to ensure that migrant children who move among the states are not penalized by disparities among the states in curriculum, help students overcome language barriers, and more.²²

²¹ Great Schools, Gilroy Unified School District Summary. https://www.greatschools.org/california/gilroy/gilroy-unified-school-district/#summary_rating

²² Migrant Education Program. <https://www.gilroyunified.org/departments/educational-services/migrant-education>

As shown in Figure 29, most of the City has less positive education outcome scores, with the northmost areas being positive. Additionally, the above average poverty rates in the City have a negative effect on TCAC educational scores, as poverty rates are included in this calculation.

Figure 29: TCAC Education Score



Environmental Indicators

The environmental domain utilizes CalEnviroScreen (CES) 3.0²³ pollution indicators and values (see below for more discussion on CES). As shown in Figure 30, the scores vary throughout the City, with environmental outcomes becoming less positive as the tracts move eastward. The tracts bisected by the 101 Highway have lower outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be contributions from the large agriculture industry in the City.

²³ Note that the 2021 TCAC environmental score relies on CES 3.0, rather than the updated CES 4.0.

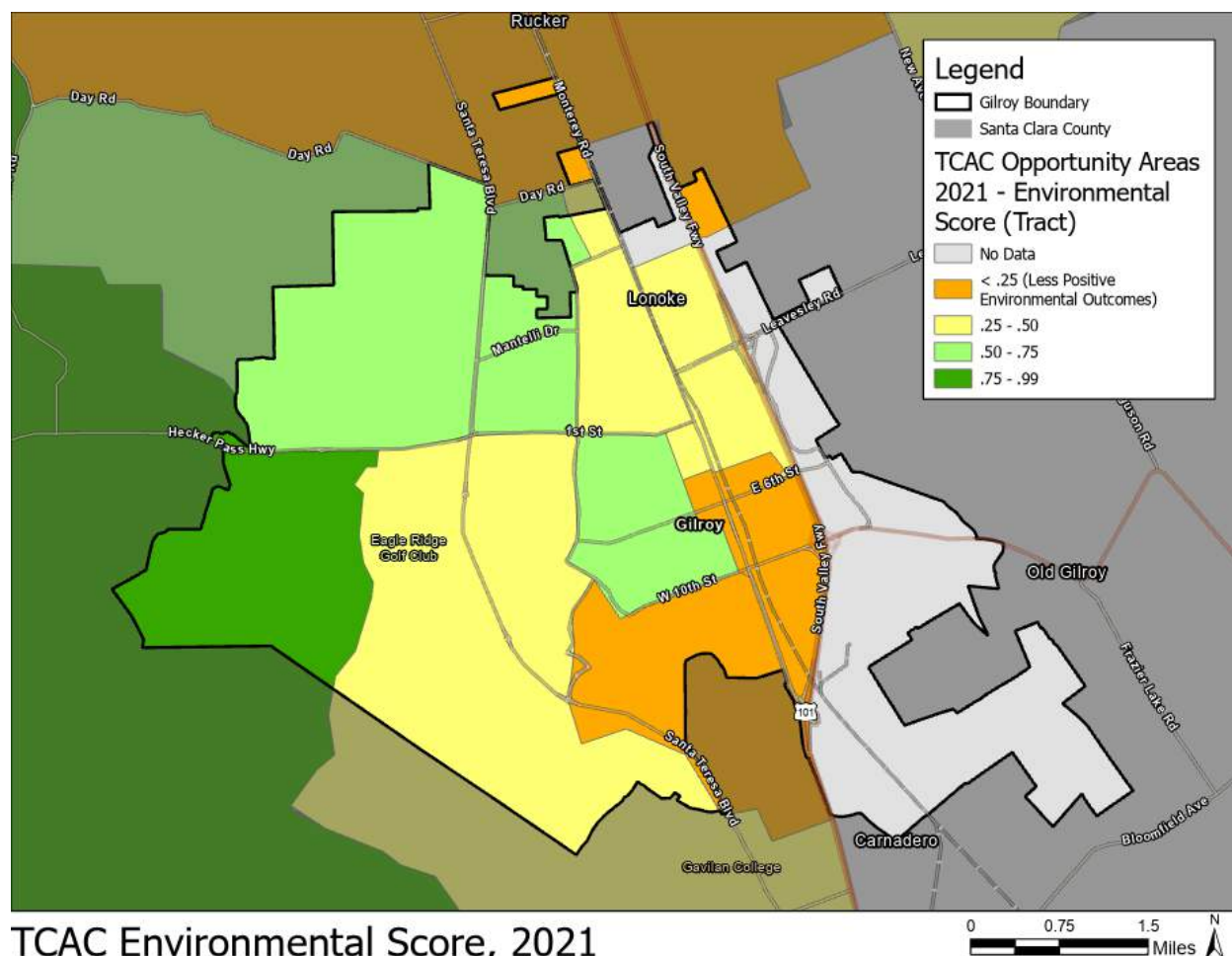
Figure 30: TCAC Environmental Score**TCAC Composite Score**

Figure 31 displays the 2022 TCAC composite score for the City. The vast majority of the City is in the moderate or low resource area. A corner of the City is a part of a large census tract that is high resource. The portions of this tract in the City contain mostly hillside open space and the Gilroy Gardens Family Theme Park, along with two single-family neighborhoods. A large portion of the population in the census tract lives outside of the City.

The downtown area has access to regional transit, employment opportunities, and social resources. Furthermore, through the 2040 General Plan and the Downtown Specific Plan, the City is focusing growth and economic development to revitalize the downtown area. Investments in the area, including the future construction of a high-speed rail station are expected to increase access to opportunity and increase resources in the low resource area of the City. As such, the majority of RHNA opportunity sites are located in the downtown, which is currently considered a low resource area.

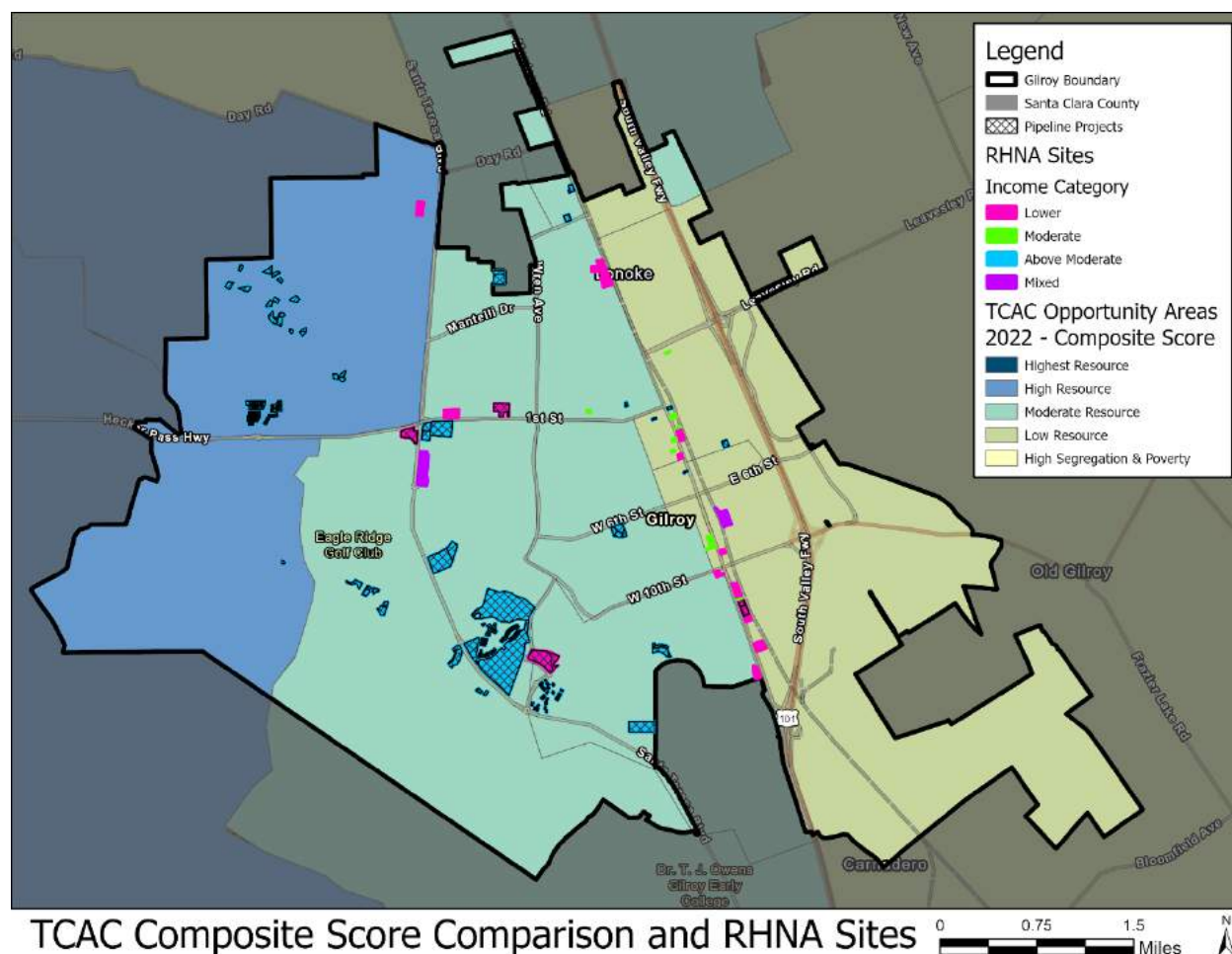
Place-based improvements in the downtown area includes the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.
- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

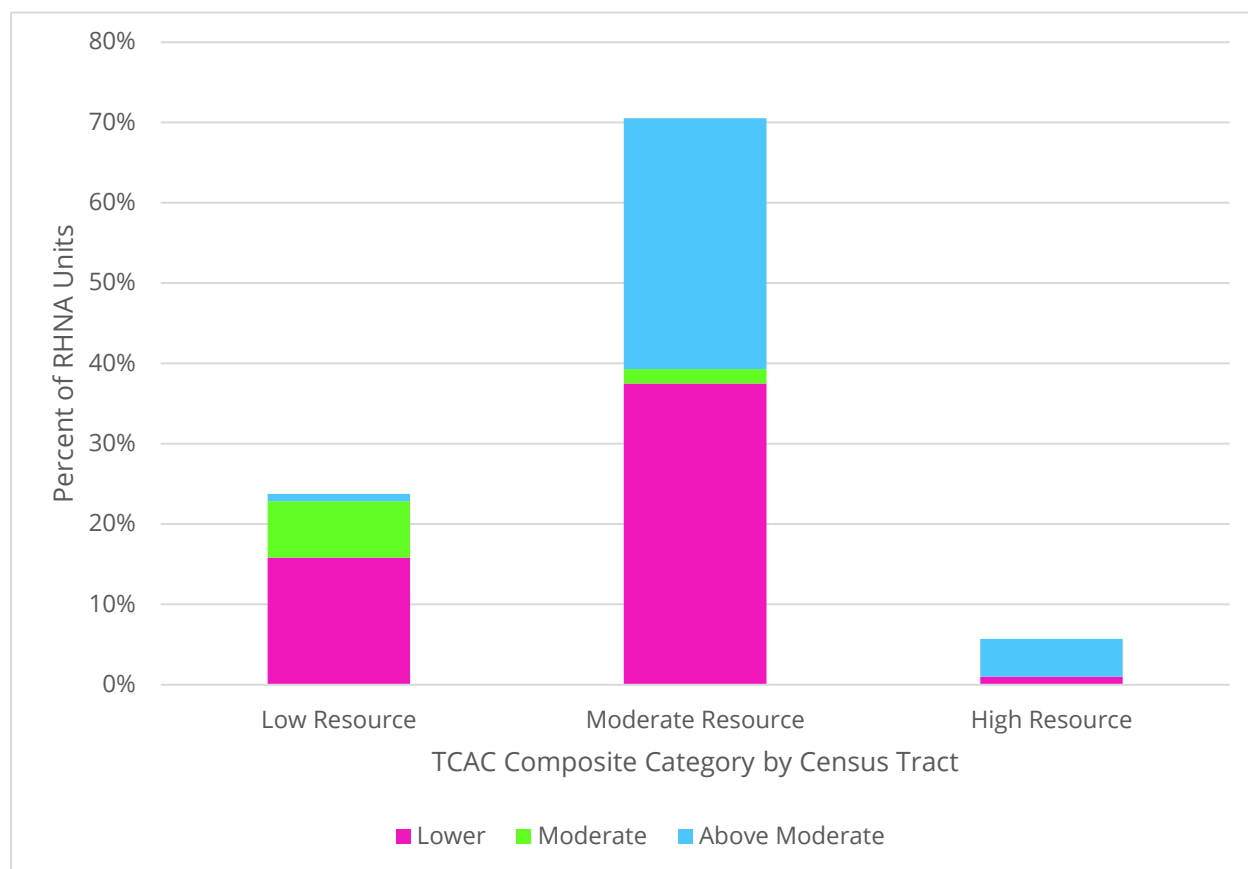
- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

Many of the pipeline projects, including low- and moderate-income units, are located in the moderate resource areas of the City. The City is also including programs to encourage development in the Moderate Resource area of the City. Programs include targeted ADU outreach to the single-family neighborhoods (Program A - 6), and ministerial approval of triplexes and fourplexes on corner lots in the R1 and R2 zones throughout the City (Program A - 10). The City is also adopting an inclusionary housing ordinance (Program A - 11), a program to develop incentives beyond density bonus state law (Program A - 12), and a program to allow flexibility for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households in the First Street Corridor (Program E - 12).

Figure 31: TCAC Composite Score and RHNA Sites

Source: HCD AFFH Data Viewer

As shown in Figure 32, the majority of RHNA sites in the City are in low or moderate resource areas, with a large majority of above moderate pipeline projects in the moderate resource area. The area of the City with the highest resource category is about half open space. As the majority of the City is moderate resource, distributing RHNA sites of a variety of income in areas of these categories is unlikely to exacerbate any conditions or make any negative changes to the resource designation. Just over 30 percent of the City is low resource, and 24.7 percent of RHNA sites are located in the low resource area.

Figure 32: TCAC Designation Comparison of RHNA Units

Increasing Housing Opportunities in Higher Resource Areas

The City is including several programs to increase housing types and opportunities in higher resource areas of the City. These efforts go beyond sites that are included on the Opportunity Site List and help improve housing choice and mobility, by providing opportunities to increase the number and type of dwelling units in lower density residential zones. Program A - 10 creates a ministerial approval process for triplexes and fourplexes on corner lots in the R1 and R2 zones to encourage the development of middle-income housing in high-resource areas primarily comprising detached single-family residences. Under Program E - 12, the City will allow flexibility for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households in the First Street Corridor. Program G - 5 includes the creation of informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. The pamphlets will be provided online, at City Hall, and at informational booths where housing resources are provided. Program A - 6 includes targeted ADU outreach to the single-family neighborhoods.

The missing middle policy would apply to approximately 1,106 total parcels in the R1 and R2 zones, as shown in Figure 33. In the R-1 zone, approximately 1,067 parcels have single-family homes on corner lots greater than 6,000 square feet. Allowing triplexes and quadplexes by right on these corner lots could allow for an additional 3,201 units. These units are primarily

in the moderate and high resource areas of the City, so this would allow for increased capacity for housing in these zones and increased flexibility for missing middle housing in the R1 zone. Of these 1,067 parcels, 361 are in the high resource TCAC category, 664 are in the moderate resource category, and 42 are in the low resource category. Program A - 10 would also apply to approximately 39 corner lots with single-family homes in the R2 zone. Of these 39 parcels, 22 are in the moderate resource category, and 17 are in the low resource category.

Figure 33: Existing Single-Family Homes on Corner Lots in R1 and R2 Zones



Source: City of Gilroy

Access to Opportunities, Regional Comparisons

HUD has developed a series of indices for fair housing analysis to assist cities in identifying disparities in access to opportunity. The following indicators are scored on a scale from zero to 100.²⁴

²⁴ HUD Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T) Data Documentation

- **Low Poverty Index:** The low poverty index captures poverty at the census tract level. The higher the score, the less exposure to poverty.
- **School Proficiency Index:** The school proficiency index uses the performance of fourth-grade students on state exams to describe which areas have higher and lower performing schools. The higher the score, the higher the school system quality.
- **Labor Market Index:** The labor market index measures the relative intensity of labor market engagement and human capital. The index is calculated using employment levels, labor force participation, and education attainment. The higher the score, the higher the labor market participation in a neighborhood.
- **Transit Index:** The transit index is based on estimates of transit trips taken by a three-person, single-parent family with income at 50 percent of the median income for renters for the region. The higher the index, the more likely that the residents use public transit.
- **Low Transportation Cost Index:** The low transportation cost index is calculated based on estimates for a three-person, single-parent family with income at 50 percent of the median income for renters for the region. More specifically, this index considers transportation costs as a percentage of income for this household type. The higher the index, the lower the cost of transportation.
- **Jobs Proximity Index:** The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region. Larger employment centers are more heavily weighted. The higher the index, the better access to employment opportunities.
- **Environmental Health Index:** The environmental health index summarizes potential exposure to a variety of toxins that are harmful to human health. The higher the index, the less exposure to toxins.

As shown in Table 52, the most variation between different ethnicities in Gilroy is seen in the low poverty index, with the Hispanic population at 41.0 while the Asian and White populations score 60.1 and 57.7, respectively. The labor market index also shows variation, with the Hispanic population at 43.7, while the Asian population scores 59.0.

Compared to the wider Santa Clara County region as a whole, Gilroy scores lower in all index categories for all groups, indicating the City may have less access to resources when compared to the County as a whole. This means that Gilroy generally has more exposure to poverty and lower performing elementary school students. Gilroy scores are about the same as the region's scores in the low transportation cost index. Gilroy also has a lower score in the environmental health index, indicating higher exposure to toxins than the region. Additionally, scores in job proximity are much lower than in the region, which is likely due to the City's distance from tech industry jobs in the region, since the City is located in the southern portion of the County.

Table 52: Opportunity Indicators²⁵

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
Gilroy							
White	57.7	59.5	57.8	55.4	88.6	16.4	39.1
Black	54.1	62.5	54.8	55.1	88.8	16.9	39.1
Hispanic	41.0	58.4	43.7	55.3	90.8	21.1	38.9
Asian	60.1	62.4	59.0	55.3	88.3	15.8	39.0
Native American	45.1	59.4	46.8	54.9	90.4	20.9	39.0
Santa Clara County							
White	81.1	81.9	82.2	68.1	91.2	52.8	58.8
Black	72.9	74.1	74.2	73.4	93.1	57.1	53.5
Hispanic	65.3	58.9	61.9	64.5	91.3	43.2	54.6
Asian	82.0	85.3	83.3	71.4	91.4	51.7	61.6
Native American	70.9	69.4	68.4	67.2	91.8	50.6	56.7

Source: Decennial Census; American Community Survey; Great Schools; Common Core of Data; School Attendance Boundary Information System; Local Affordability Index; Longitudinal Employer Household Dynamics; National Air Toxics Assessment

Transportation

Access to adequate transportation and a variety of transit options can help illustrate disparities in access to opportunities. The Valley Transportation Authority (VTA) serves Santa Clara County, and there is also a commercial shuttle service available from the San Francisco and San Jose airports. Both public transportation and Highway 101 provide access from Gilroy to north Santa Clara County. The City is the southernmost stop on the Caltrain, which operates commute service to the Santa Clara Valley, San Francisco Peninsula, and San Francisco. Amtrak's Capitol Corridor line runs a thruway line from San José to Santa Barbara with a stop in Gilroy. The Monterey-Salinas Transit Line 55 stops in Gilroy and provides rush hour service between San José and Monterey. The San Benito County Express provides intercounty bus service from Gilroy to Hollister and San Juan Bautista.

Transit routes in Gilroy are shown in Figure 34. The VTA provides service to Gavilan College with bus lines along Luchessa Avenue and Santa Theresa Boulevard. The City also has a full network of bike lanes which connect all elementary, middle, and high schools in the area.

²⁵ HUD Affirmatively Furthering Fair Housing. <https://egis.hud.gov/affht/>

A future high-speed rail station is proposed in downtown Gilroy at the existing Caltrain station on Monterey Street between 7th and 9th Streets. This station will be a transit hub for southern Santa Clara County and provide additional transit access for the community. Many RHNA sites have been chosen specifically for their proximity to existing and proposed transit.

The City will work with California High Speed Rail to develop a station area plan for the proposed station through Program A - 13. The existing transit and proposed high speed rail bring the opportunity to create transit-oriented development in the downtown area.

Figure 34: Transit Route Map



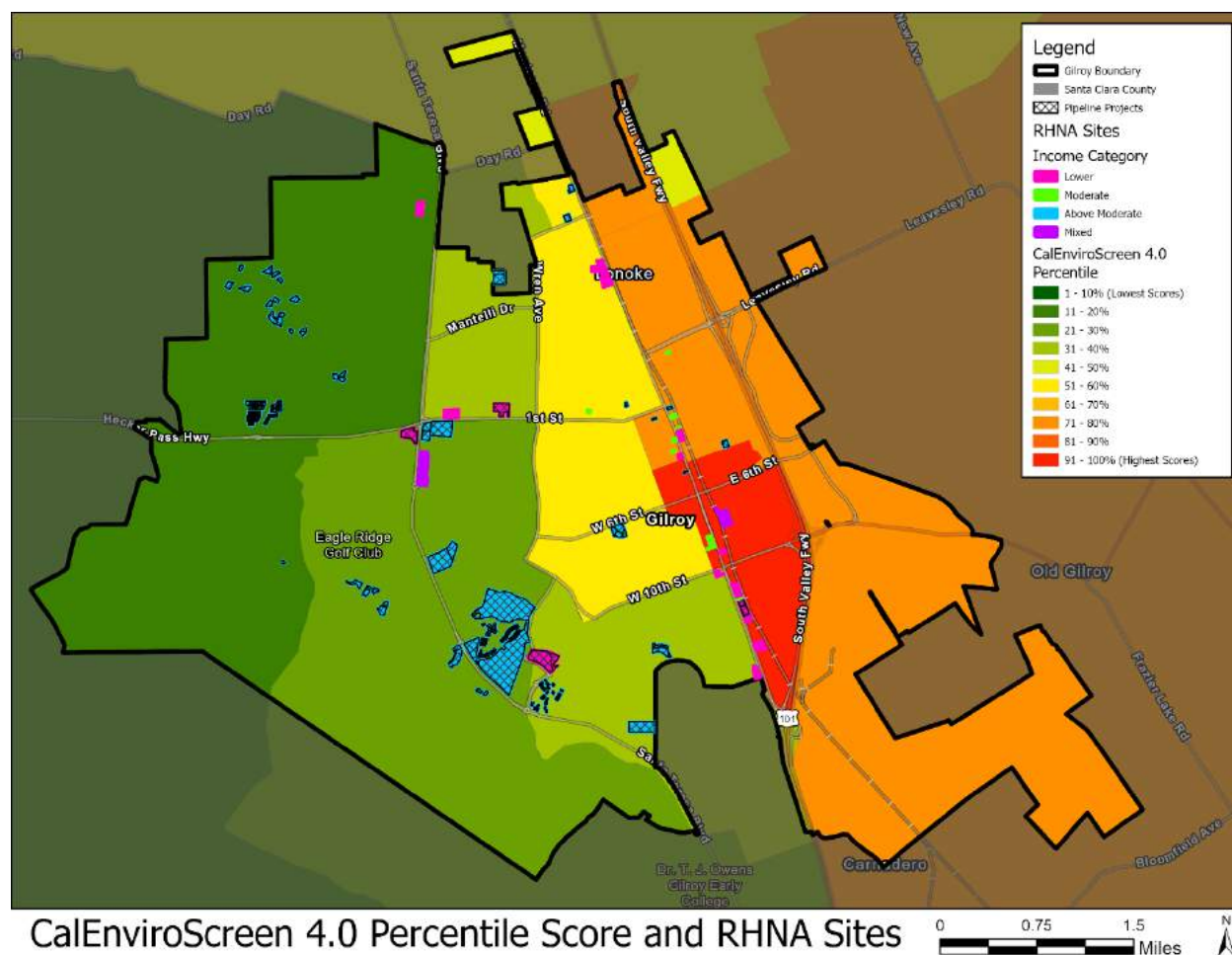
Source: Valley Transportation Authority, 2022

CalEnviroScreen 4.0

CES 4.0 is a tool that identifies communities in California that are disproportionately burdened by pollutants. Factors used to identify communities include ozone, particulate matter, drinking water contaminants, pesticide use, lead, diesel particulates, asthma rates, and linguistic isolation. A higher score indicates a higher effect of pollutants for the area.

The CES scores for the City of Gilroy in Figure 35 show that highest scores occur in the eastern half of the City, where the R/ECAP is located. CES scores are lower in the west. The areas bisected by the 101 Highway have less positive outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be attributed to both permitted and unpermitted contributions from the large agriculture industry in the City. The lower density western portion of Gilroy contains steeply sloped areas and low-density development, and large open areas that significantly limit development, contributing to lower CES scores.

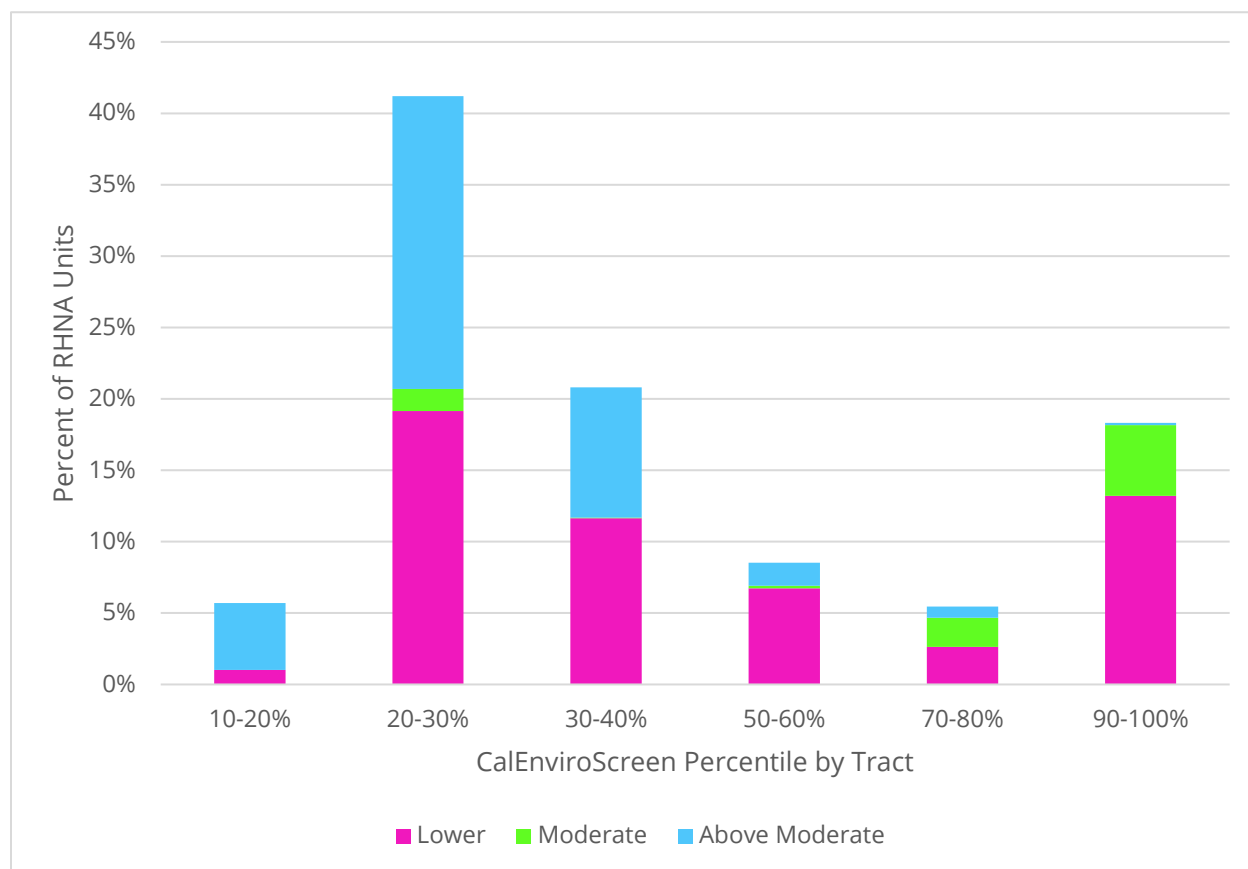
Figure 35: CES Percentile and RHNA Sites



Source: HCD AFFH Data Viewer.

As shown in Figure 36, RHNA pipeline and opportunity sites are distributed throughout both the lower and higher scoring areas of the City. For example, 41.2 percent of RHNA units are located in a tract in the 20-30% CalEnviroScreen Percentile. Although the Downtown Specific Plan area contains the highest CES scores in the City, RHNA sites in this area will provide potential residents with access to transit and employment resources, including a new future high speed rail station.

Figure 36: CalEnviroScreen Percentile Comparison of RHNA Units



Findings

Overall, the City of Gilroy is largely of lower and moderate resource. The City has lower scores in opportunity metrics compared to the County as a whole. As such, many of the RHNA sites are located in a low-resource area (see Figure 31), which includes the Downtown Specific Plan area. The low resource area is also where housing choice voucher use primarily occurs. While pipeline projects are more evenly distributed throughout the City, proposed RHNA sites in the downtown area will provide potential residents the best access to services, employment resources, and transit, including the future high-speed rail station.

The City is including Program F - 3 to ensure that the RHNA site selection will improve access to place-based improvements in lower-resource areas, such as the \$3.9 million grant in the historic downtown. The grant funding is for streetscape improvements, including new

pedestrian and bicycle-friendly paving/markings, lighting, signage, benches, street trees, and waste receptacles. The Housing Element also includes a displacement prevention program (Program F - 5), tenant mediation program (Program F - 2), and targeted funding such as Housing Rehabilitation (Program C - 2), CDBG funding (Program D - 5), and the Permanent Local Housing Allocation (PLHA) Fund (Program D - 1).

Additionally, other programs in the Housing Element are intended to spur housing development in the moderate- and high-resource areas of the City. This includes a program that geographically targets ADU education (Program G - 3), development of an inclusionary housing policy (Program A - 11), development of a density bonus program that goes beyond state law (Program A - 12), and ministerial approval of triplexes and quadplexes that meet objective design standards (Program A - 10).

Disproportionate Housing Needs

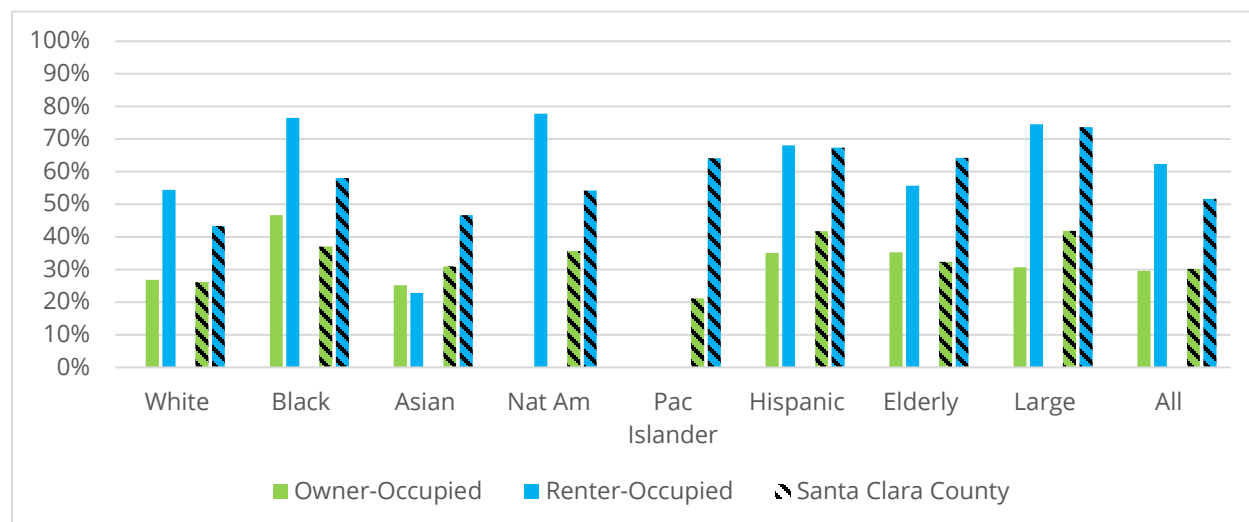
Substandard Housing

Disproportionate housing needs are determined by finding trends in housing problems in the population by race, household size, or household age. A housing unit is considered substandard or having a housing problem if it has one or more of the following housing conditions:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Household is cost burdened
- Housing unit is overcrowded

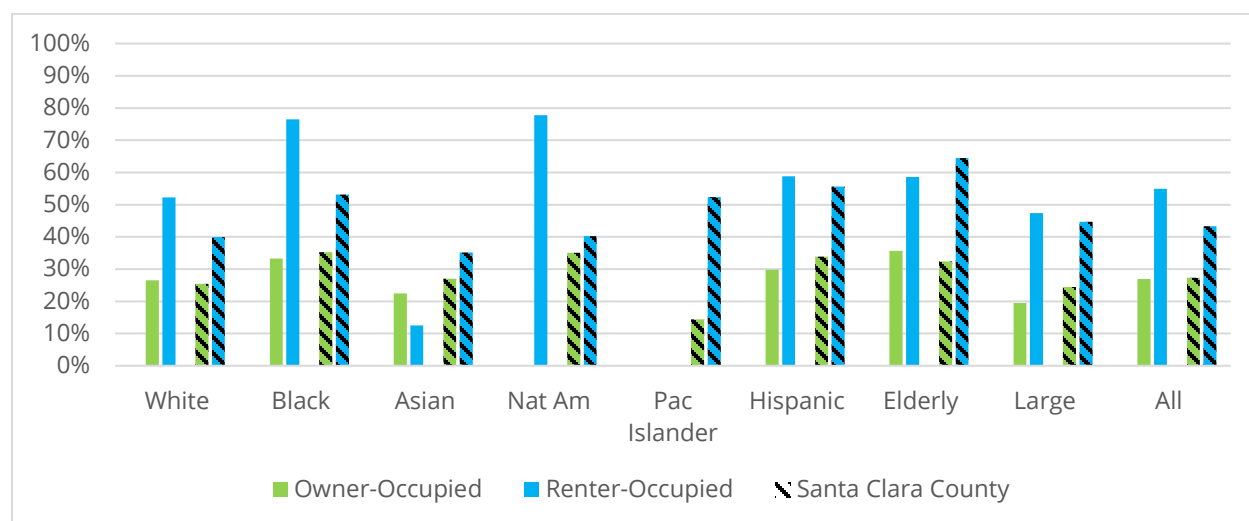
Large and elderly households are often more likely to experience housing problems. A large household is a household with three or more children, but is also often calculated as a household with five or more people. An elderly household is calculated as any household with a person over 62 years of age.

Black and Native American renters experience housing problems at the highest rate, around 75 percent, while only about 25 percent of both Asian and White owners experience housing problems. Rates of housing problems for Hispanic owners vary between the City (35.1%) and the County (41.8%), while rates of housing problems for Hispanic renters are relatively comparable between the City (68.1%) and the County (67.4%). In 2018, there was no Pacific Islander population in the City, which indicates why Figure 37 reads that 0 percent of that population experiences housing problems.

Figure 37: Housing Problems by Tenure and Race/Elderly/Housing Size

Source: HUD CHAS Data, 2018

Cost burden is when a household spends more than 30 percent of its monthly income on housing costs such as rent, mortgage, or utilities. Large households have more costs to support more people, and may experience cost burden or a lack of excess funds to amend housing problems. Elderly households may be on a fixed income, which affects excess funds necessary for maintenance in an older home bought before retirement.

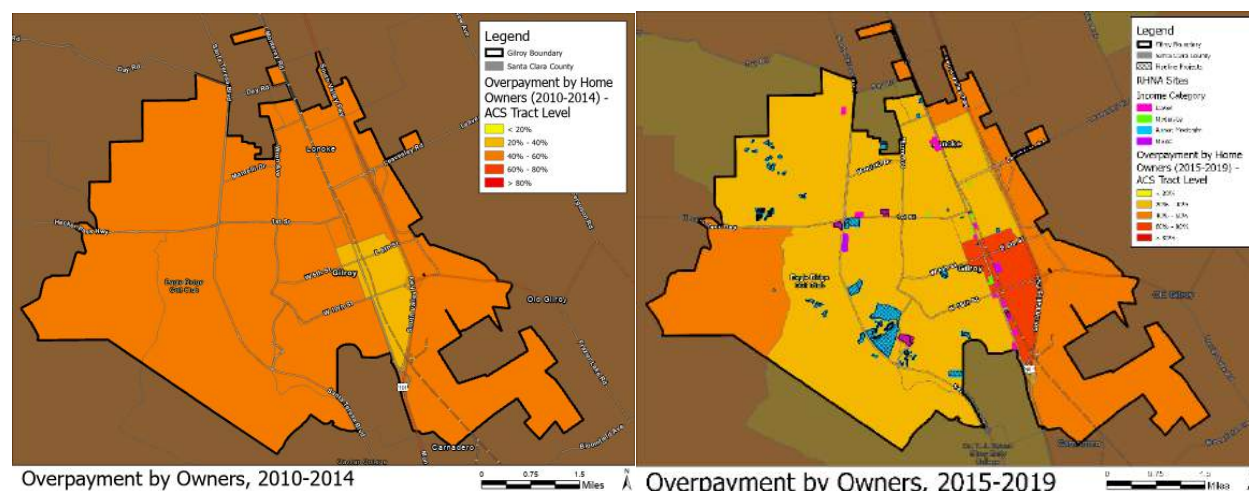
Figure 38: Cost Burden by Tenure and Race/Elderly/Housing Size

Source: HUD CHAS Data, 2018

Overpayment by both owners and renters has decreased in Gilroy over time in most areas of the City. The area with the highest levels of overpayment is the same area that has low environmental scores and higher levels of poverty. Overpayment in the City occurs at a similar, though slightly higher level than in the County, with 38 percent of households experiencing a

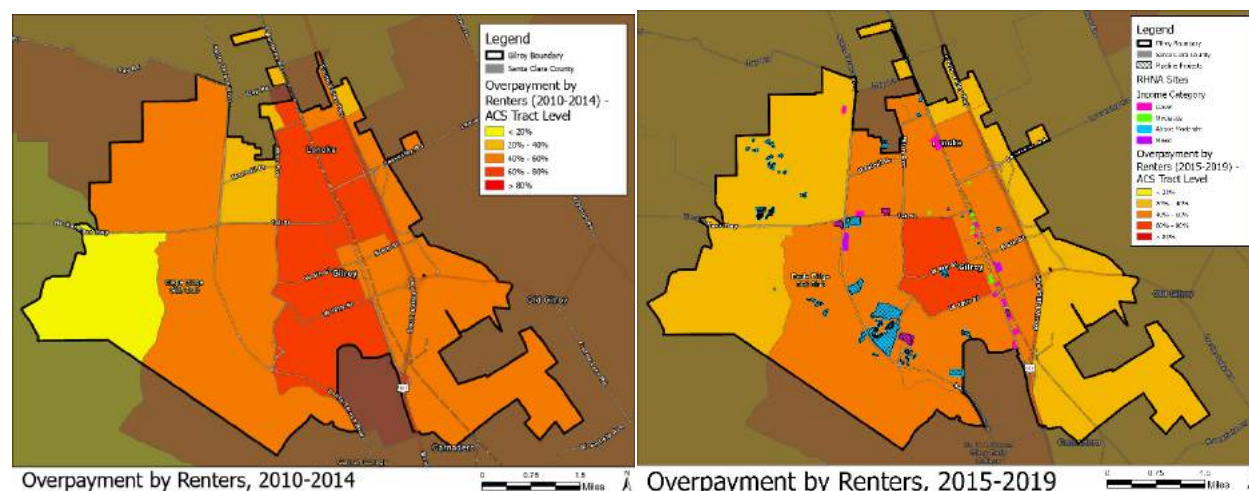
cost burden Citywide, compared to 34.2 percent in the County. In both cases, renters have higher rates of overpayment than owners.

Figure 39: Overpayment by Owners



Source: HCD AFFH Data Viewer

Figure 40: Overpayment by Renters



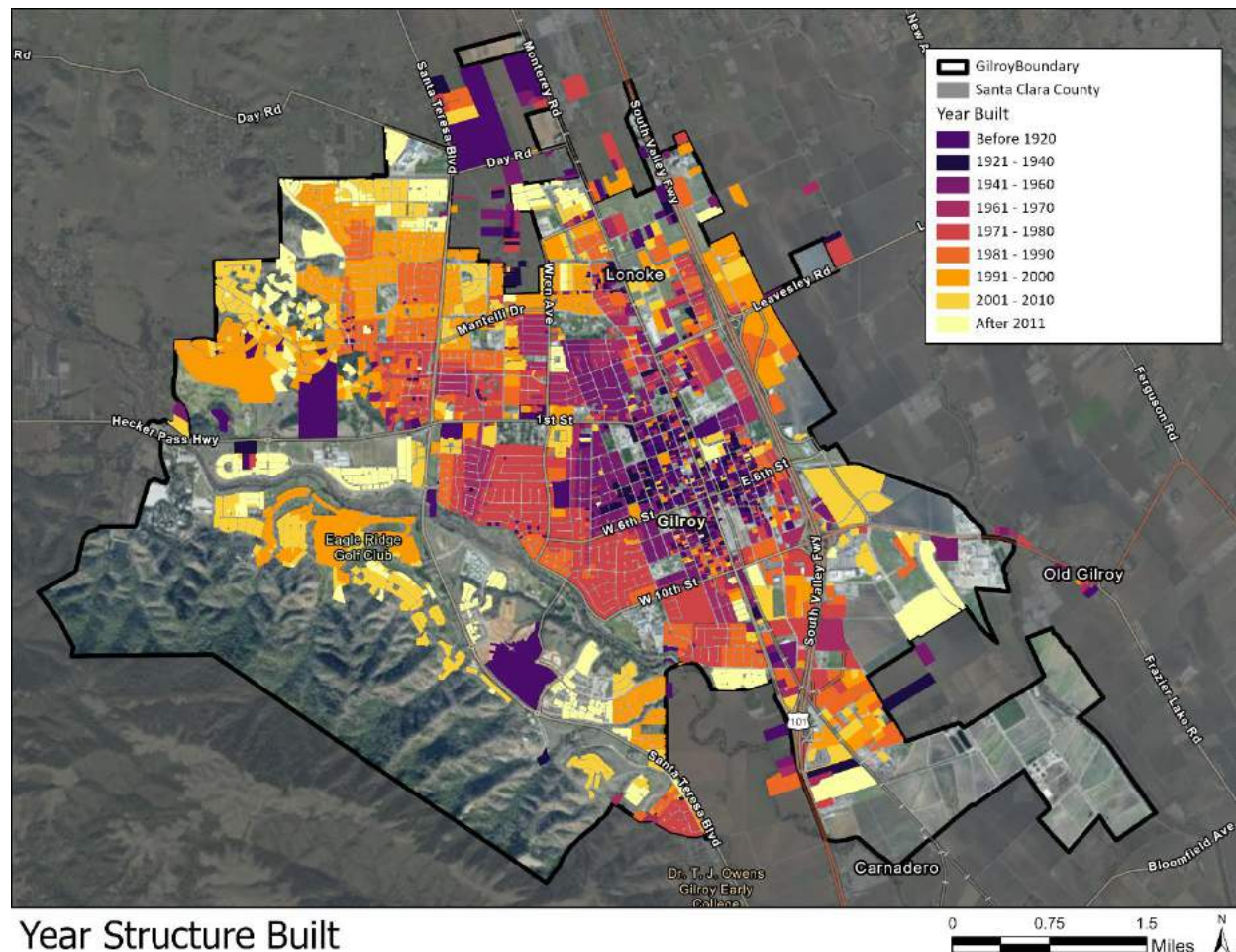
Source: HCD AFFH Data Viewer

Local Data

Per conversations with the City's Code Enforcement officers in March 2023, the areas with housing conditions in potentially higher need of rehabilitation and replacement are the areas with the oldest housing stock in Gilroy. As shown in Figure 41, housing stock in the eastern portion of the City is generally older and there are more households experiencing overcrowding. The City is including multiple place-based programs to promote improvement in the eastern, older portions of the City, including place-based improvements (Program F - 3), a displacement prevention policy (Program F - 5), increased outreach in downtown areas

(Program G - 4), and fair housing support through partnerships with Project Sentinel (Programs F - 1 and F - 2). Code Enforcement officers also noted that the eastern or downtown areas of Gilroy have better access to transit than the newer neighborhoods in the west.

Figure 41: Year Structure Built



Source: County Assessor data and Michael Baker International

Overcrowding

A household is considered overcrowded when there is more than one person per room, including living and dining rooms but excluding bathrooms and kitchens. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community.

In Gilroy, areas with high concentrations of overcrowding are in areas with high levels of poverty and low economic opportunity, where the R/ECAP is located. Overcrowding is only slightly more prevalent in Gilroy (9.2%) than in the County (7.8%), as a whole. Overcrowding is more prevalent for renters than owners both in the City and regionwide.

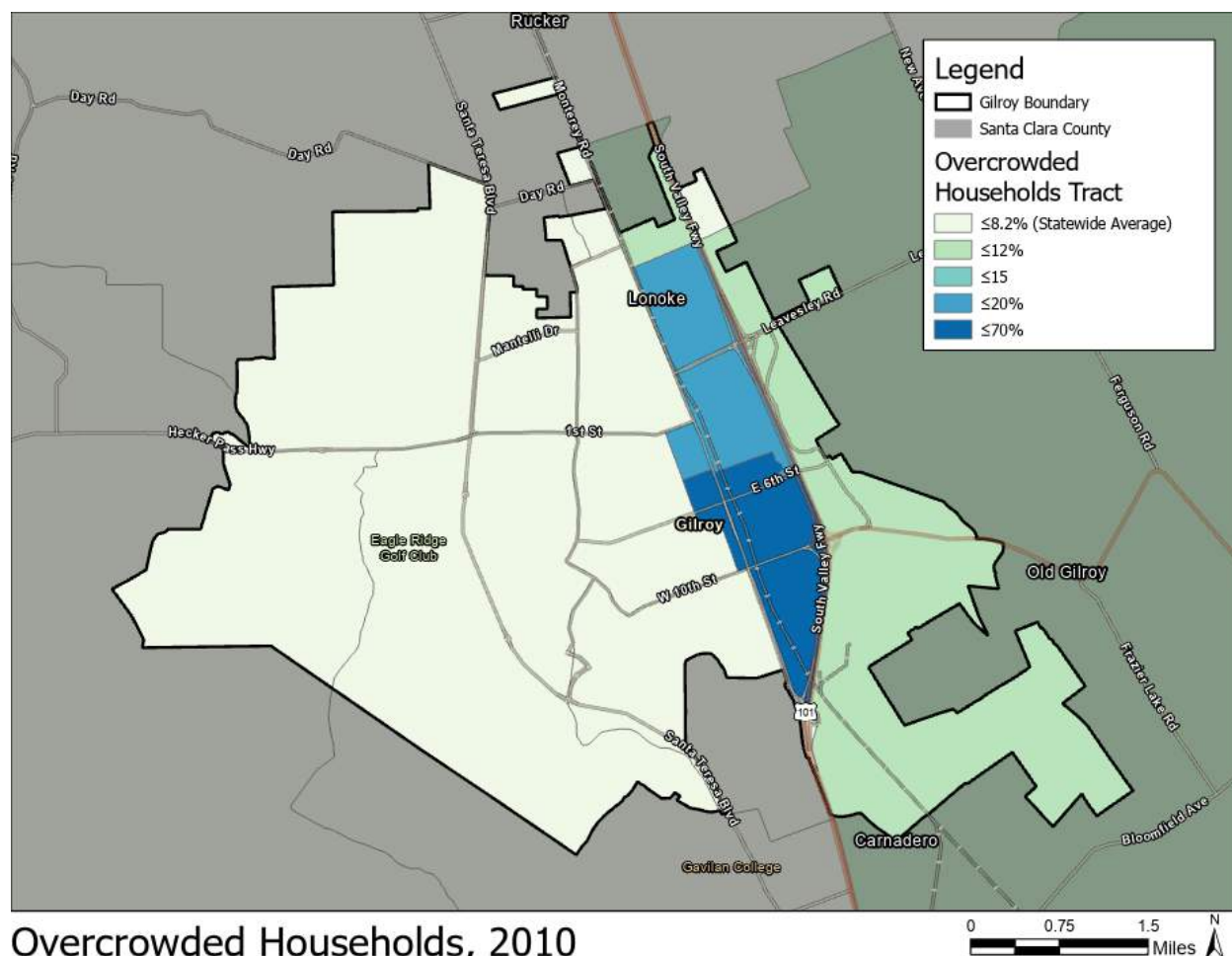
Figure 42: Overcrowded Households

Table 53 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households, roughly 9.2 percent of all households in Gilroy, were experiencing overcrowding in 2019. This included 347 owner-occupied households and 1,135 renter-occupied households. Instances of overcrowding vary by tenure, with renters experiencing higher levels of overcrowding than owners.

Table 53: Overcrowding, 2019

Jurisdiction	Persons per Room	Owners		Renters		Total	
		Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
Gilroy	1.01 to 1.50	285	1.8%	665	4.1%	950	5.9%
	>1.50	62	0.4%	470	2.9%	532	3.3%
	Total Overcrowded	347	2.2%	1,135	7.0%	1,482	9.2%
Santa Clara County	1.01 to 1.50	7,526	1.2%	21,951	3.4%	29,477	4.6%
	>1.50	2,340	0.4%	17,983	2.8%	20,323	3.2%
	Total Overcrowded	9,866	1.6%	39,934	6.2%	49,800	7.8%

Source: HUD CHAS Data, 2018

Homelessness

Table 54 lists emergency shelters and transitional housing in and adjacent to Gilroy.

The Countywide services and shelter provider HomeFirst Services provides a 24/7 shelter for adults at the Gilroy shelter. The Gilroy shelter provides sleeping accommodations, meals, restrooms, showers, mobile laundry, and case management support services via South County Compassion Center staff. It has a capacity of serving 100 persons.

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March. It provides 128 shelter beds and has the capacity to house 35 unhoused families with a dependent child under the age of 18. St. Joseph's Family Center manages the shelter and referral process. Walk-ins or families without a referral from a designated community partner are not accepted and 5-7 spots are reserved for Here4You call center hotline referrals. EAH Housing is contracted for day-to-day property management operations and site security.

According to conversations with service providers, if the weather is manageable, unhoused individuals express a strong reluctance to use the service. The service providers stress the need for a permanent emergency shelter as well as shelter or housing for single adults who do not exhibit mental illness or substance abuse disorders.

The City of Gilroy provides annual funds to homelessness prevention support and services through the PLHA. For FY 22-23 and FY 23-24: St. Joseph's Family Center received \$180,000 to provide emergency rental and utility assistance, as well as training and employment readiness to prepare individuals that are homeless or at risk of homelessness. Community Agency for Resources Advocacy and Services received \$40,000 to provide rental and deposit assistance. South County Compassion Center received \$80,000 to provide services to unhoused Gilroy residents and to connect them with services that can help them attain

permanent housing. Through its CDBG-CV funds, the City provided an additional \$287,309 in support to Saint Joseph's Family Center's Rental Assistance program.

Table 54: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds or families served
Gilroy Shelter	Emergency Shelter	Adults Only	100
Arturo Ochoa Migrant Center ²⁶ (adjacent to Gilroy)	Cold Weather Shelter	Households with a dependent under 18	35 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25

Source: City of Gilroy, County of Santa Clara.

In 2022, the County of Santa Clara, in conjunction with Applied Survey Research (ASR), conducted the 2022 Santa Clara County Homeless Census and Survey. This survey is conducted every two years in the last 10 days of January. The 2022 Santa Clara County Homeless Census and Survey was performed using HUD-recommended practices for counting and surveying the homeless population. The Point-in-Time Homeless Count identified a total of 10,028 persons experiencing homelessness in Santa Clara County in 2022, an increase of 3% from the count conducted in 2019. Table 55 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were 814 homeless persons surveyed in Gilroy in January 2022, including 606 sheltered and 208 unsheltered persons.

²⁶ The Arturo Ochoa Migrant Center is located slightly outside City bounds, but serves Gilroy residents.

Table 55: 2022 Santa Clara County Homeless Census and Survey

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	606	208	814
Campbell	216	0	216
Cupertino	102	0	102
Los Altos	65	0	65
Los Altos Hills	0	0	0
Los Gatos	58	0	58
Milpitas	249	25	274
Monte Sereno	0	0	0
Morgan Hill	60	0	60
Mountain View	206	140	346
Palo Alto	263	0	263
San Jose	4,975	1,675	6,650
Santa Clara	375	65	440
Saratoga	0	0	0
Sunnyvale	279	106	385

Source: Santa Clara County Office of Supportive Housing, 10-29-22

Local Data

In March 2023, the City reached out to South County Compassion Center, who noted concentrations of the homeless population in the center of Gilroy, between Monterey Avenue and Highway 101, which is the R/ECAP area. Similar to comments made by the City's Quality of Life officer, they noted that there is not much migration of the population beyond these areas into the primarily residential neighborhoods. Specifically, there are concentrations of the homeless population in Tomkins Encampment, the IOOF bridge area, Garlic Farm, San Ysidro Park, and Christmas Hill. The homeless population in this area primarily travel by biking or walking, and 70 have an Uplift pass for public transportation.

Place-based improvements in these areas include the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.

- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

The City is including Program G - 6 which includes educating the public on homelessness, consolidating information on resources for the unhoused population on a dedicated webpage, and restarting monthly meetings of the unhoused service providers group.

Permanent Local Housing Allocation Fund

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council approved the replacement of the HTF with the Permanent Local Housing Allocation (PLHA) Fund, making more funds available for public services addressing basic needs and homelessness prevention. Although the HTF will no longer be made available for public service programs or rehabilitation purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

The PLHA Fund spans a five-year period and will make available \$1.4 million. The City is contracting with Santa Clara County's Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. Table 56 displays funding approved by the City Council for FY 22-23 and FY 23-24.

Table 56: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Funded Services	Funding Amount
St. Joseph's Family Center	Emergency rental assistance, utility assistance, and other supportive programs that help diminish the risk of becoming homeless	\$110,000
St. Joseph's Family Center	Training and employment readiness to prepare individuals that are homeless or at risk of homelessness for stability and greater self-sufficiency	\$70,000
Project Sentinel	Fair housing services and investigates complaints to address housing discrimination for Gilroy residents	\$40,000
Project Sentinel	Landlord-tenant counseling and dispute resolution program to help resolve housing conflict and protect Gilroy residents from displacement	\$40,000
The Health Trust	Meals to low income and homebound seniors at risk of food insecurity, allowing them to remain in their homes	\$54,000
South County Compassion Center	Services to unhoused Gilroy residents to meet their basic needs and to connect them with services that can help them attain permanent housing	\$80,000
Community Agency for Resources Advocacy and Services	Rental and deposit assistance to prevent homelessness for Gilroy families and individuals	\$40,000
Silicon Valley Independent Living Center	Counseling for Gilroy residents with disabilities, emergency rental assistance, and housing search services to obtain safe, affordable, and accessible long-term housing	\$40,000

Source: City of Gilroy, 2021.

Displacement

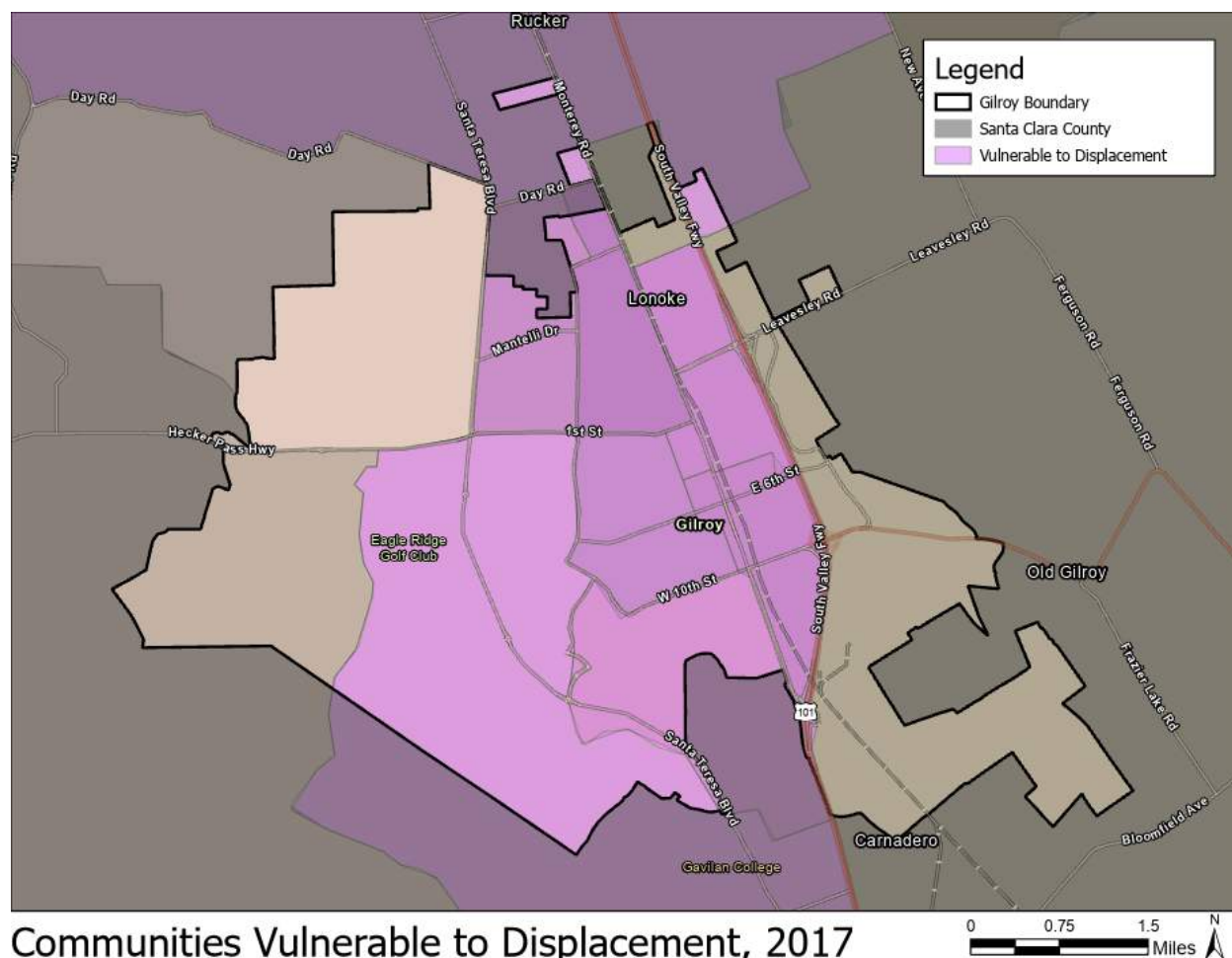
The Urban Displacement Project at the University of California, Berkeley, developed a map of “sensitive communities” where residents may be particularly vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Sensitive communities are defined based on the following set of criteria:

- The share of very low-income residents is above 20 percent.

- The census tract must also meet two of the following criteria:
 - The share of renters is above 40 percent.
 - The share of people of color is above 50 percent.
 - The share of very low-income households (50 percent AMI or below) that are severely rent burdened is above the county median.
 - The census tract, or areas in close proximity, have been experiencing displacement pressures. Displacement pressure is defined as:
 - The percentage change in rent in a selected census tract, divided by county median rent increases OR
 - Median rent in a selected census tract, minus median rent for all surrounding tracts, divided by median rent for all tracts in county (rent gap).

Figure 43 shows the areas vulnerable to displacement as identified by the Urban Displacement Project. The center of the City, including the downtown area in the east, is considered vulnerable to displacement. Areas north and south of the City show similar risk.

The City is attempting to meet its RHNA without displacing existing residents by identifying vacant and underutilized sites that do not have existing residential uses. Therefore, the City's RHNA strategy is not anticipated to exacerbate risk of displacement. Instead, it is expected to counteract this vulnerability and minimize displacement by planning for and providing new housing opportunities for all income levels in areas with greater risk of displacement. Additionally, the City is including a displacement prevention policy (Program F - 5), adopting an inclusionary housing policy (Program A - 11), and providing multilingual tenant support to further minimize the risk of displacement in the City (Programs F - 1 and F - 2).

Figure 43: Communities Vulnerable to Displacement

Findings

Overall, the City of Gilroy experiences housing problems at a similar or lower rate than the region as a whole, while rates of cost burden or overpayment are higher. However, the percentage of the population experiencing overpayment has decreased over time. Overcrowding citywide occurs at a similar rate regionally but is more prevalent in the R/ECAP area, potentially indicating a need for larger units or shared multiplexes in the R/ECAP area.

The City is including Program F - 3, a place-based improvement program, to ensure that the RHNA site selection will improve access to resources in the R/ECAP area. Primarily vacant sites were chosen in the R/ECAP area, allowing residents to find available housing in their own neighborhood and to help prevent displacement due to gentrification of older housing stock. Additionally, Program E - 12 is included to allow stand-alone residential projects in in the Downtown Expansion District to provide further opportunities for affordable housing choices.

Other Contributing Factors

Historic Immigration and Land Use Patterns

Gilroy got its start in 1850 as a stagecoach stop for passengers traveling to San Francisco. During the 1850s, a nucleus of houses and small businesses were constructed along Monterey Road, the old El Camino Real. The railroads connected Gilroy with San José in 1869, and Gilroy incorporated with the State as a charter city in 1870. At that time, Gilroy had a population of 1,625 residents.

The original City began development in what is now considered the downtown area. Portions of the downtown are designated as the Downtown Historic District, which is intended to foster the historic downtown as a unique commercial resource. As is typical, these older areas and older housing tend to be lower cost than newer areas and newer housing. These older city centers also tend to have the most multifamily and rental housing as these were the most efficient land use patterns at the time of development. As a result, the older areas often have higher proportions of affordable housing without subsidies and lower-income households. Similarly, today's new housing will be more affordable than housing built in 10 or 20 years.

In 1936, the City of Gilroy zoned the city into five distinctive districts: Single Family Residences; Multiple Family Residences; Business Districts; Industrial Districts; and Residential-Agricultural. The single-family district was located between Hanna, Princevalle, First, and Seventh Streets. The multiple-family residence district, which constituted an area approximately double that designated for single-family residences, was located between Egleberry and Hanna Streets, and First and Tenth Streets as well as a section to the east of Monterey Street between Old Gilroy and Lewis Street.²⁷

Residential development in Gilroy during the postwar period continued in the pattern established by early subdivision developers. Like many other cities in California, Gilroy's population continued to grow in the decade following the close of World War II, and the need for residential development required more space than the remaining undeveloped areas within the City limits could allow. To house Gilroy's many incoming residents, annexation of new territory by the mid-1950s was essential to keep pace with the steadily rising demand for housing.

By 1960, the population of Gilroy had soared to 7,348 persons, from 4,951 persons recorded in 1950. The influx of people to the City required even more newly annexed areas devoted to residential developments as well as supporting infrastructure like schools, parks, churches, and commercial centers. In 1965, the City annexed 750 acres of land, effectively increasing the area of the City by 50 percent during that year alone.²⁸ Many of these annexed regions were developed into modern residential neighborhoods.

²⁷ Eugene Lewis Conrotto. *The Urbanization of the Southern Santa Clara Valley: Gilroy*. (Gilroy, CA: Gilroy Historical Museum, 1951).

²⁸ San Jose Mercury-News. 1966.

The City expanded as the agricultural industry expanded, but in the late twentieth century, the economy shifted from agriculturally based to an urban service-oriented community.²⁹ This change in economy contributed to the growth of the City. Christmas Hill Park began construction in 1964.³⁰ By 1970, when the population of Gilroy had nearly doubled within the decade to 12,665 persons, there were approximately 3,000 residences.³¹ Several single-family homes were built in the surrounding neighborhoods in the following years, leading to the highest rates of population growth in the City's history in the 1970s and 1980s. The newer areas of the City are in the moderate resource category as the infrastructure and housing is more recently developed. The City continues to expand to the west with the recent Hecker Pass and Glen Loma Specific Plan areas.

Historically, other cities in Santa Clara County had racial covenants, which led to thriving immigrant communities settling in the City of Gilroy. This first included the Chinese population, which settled in Gilroy after immigrating to the United States to build railroads and work in gold mines, tobacco fields, and orchards.³² Since the migrations of the Chinese population to the central county, the Latino population has been largely responsible for the thriving businesses in Gilroy. Over 50 percent of Gilroy's current population is Hispanic.

The City has taken multiple steps to encourage economic revitalization and growth in the older, downtown areas of the City. The two tracts that are designated as R/ECAPs are each classified as an Opportunity Zone by the federal government and are eligible for a number of tax-based incentives. In 2022, Gilroy was awarded a \$3.9 million grant for improvements in the historic downtown area. In 2020, 2021 and 2023, the City operated a Downtown Improvement Incentive Program which included reductions on development fees and a grant to help fund minor façade improvements for businesses downtown. The City continues to partner with organizations such as Visit Gilroy, the Gilroy Downtown Business Association, and the Gilroy Chamber of Commerce to promote economic development in downtown Gilroy.

The City has also created several programs to encourage affordable housing and affordable-by-design housing in the higher resource western areas of the City. Program A-10 (Missing Middle / Middle Income Housing) will allow triplexes and fourplexes on corner lots in the R-1 and R-2 districts that currently include single-family homes. Programs A - 11 (Inclusionary Policy) and A - 12 (Incentives Beyond Density Bonus State Law) will facilitate deed-restricted affordable housing opportunities in the City's higher resource / higher income areas. Program E - 12 (Mixed-Use Corridor Flexibility) will allow flexibility for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households along the First Street Corridor. In addition, there are several programs intended to increase the number of ADUs in the higher resource western area of the City, including Program A - 6

²⁹ A Brief History of Gilroy. <https://www.cityofgilroy.org/381/History-of-Gilroy>

³⁰ The Mercury News, Gilroy Timeline. <https://www.mercurynews.com/2007/02/05/gilroy-timeline/>

³¹ Gilroy Chamber of Commerce. "Standard Industrial Survey Report: Gilroy, Santa Clara County, California." (Gilroy, CA: Gilroy Chamber of Commerce, March, 1969). Gilroy Historical Museum.

³² Gilroy Dispatch. <https://gilroydispatch.com/immigrants-play-big-part-in-gilroy-history/>

(ADU Tracking and Monitoring), A - 7 (ADU Pre-Designed Plans), A - 8 (Financial Incentives for Affordable ADUs), A - 15 (ADU Ordinance Updates), and G - 3 (ADU Education).

Urban Growth Boundary

Per the City's General Plan, "The Urban Growth Boundary (UGB) applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. The UGB indicates the extent and direction of the City's future urban expansion and capital improvements planning. Lands outside the UGB are to be preserved for rural and agricultural uses" (p. LU-15).

In 2016, voters passed Measure H, resulting in the UGB. The intent of the UGB is to protect agriculture and open space in the surrounding areas outside of the UGB. Urban development is not allowed outside of the UGB; only uses allowed in the open space designation per the General Plan are allowed. Until December 31, 2040, lands outside the UGB can only be redesignated by a vote of the people, except for the following exceptions in which "the City Council determines that doing so is necessary to comply with State law regarding the provision of housing for all segments of the community" and makes each of the following findings based on substantial evidence, per the General Plan:

- That the land proposed to be brought within the UGB and/or re-designated is immediately adjacent to: (i) the existing UGB; and (ii) available water and sewer connections; and
- That the proposed development will consist primarily of low and very low-income housing pursuant to the Housing Element of this General Plan;
- That there is no existing vacant or undeveloped residentially designated land within the UGB to accommodate the proposed development and it is not feasible to accommodate the proposed development by re-designating lands within the UGB for low- and very low-income housing; and
- That the proposed development is necessary to comply with State law requirements for the provision of low- and very low-income housing and the area of land within the proposed development will not exceed the minimum area necessary to comply with State law." (p. LU-22)

An analysis by the City attorney at the time of the vote estimated that this would yield a reduction of 2,929 potential units compared to the City's previous General Plan and 4,344 units to the draft General Plan update at the time.³³

The City also has an Urban Service Area (USA). The USA is the land to which the City is committed to providing basic infrastructure and services for urban development. The USA is

³³City Attorney's Impartial Analysis of Measure H. <https://sccvote.sccgov.org/sites/g/files/exjcpb1106/files/E110%20-%20Measure%20H.pdf>

generally coterminous with the UGB. The USA is reviewed and amended by the Local Agency Formation (LAFCO).

Fair Housing Issues, Contributing Factors, and Meaningful Action

The City has adopted goals and actions that specifically address the contributing factors identified in the AFFH analysis. While the City views all contributing factors as important, higher priority was given to factors that limit fair housing choice and/or negatively impact fair housing, per Government Code section 65583(c)(10)(A)(iv).

Table 57 on the following page displays the identified fair housing issue, contributing factor, actions taken to address the contributing factor, and priority level for each issue. Relevant programs are referenced in the action column for each contributing factor.

Table 57: Fair Housing Issues, Contributing Factors, and Proposed Action

Identified Fair Housing Issue	Contributing Factor	Action	Priority
Disproportionate Housing Needs	Risk of displacement in downtown Lack of missing middle housing Lack of affordable housing for special needs groups (large households, seniors, farmworkers)	• ADU education targeting high resource areas (A - 6) • Incentives for affordable ADUs (A - 8) • Facilitate Missing Middle / Middle Income Housing (A - 10) • Coordination with Santa Clara County Office of Supportive Housing (A - 14) • Permit streamlining (B - 5) • Incentivize micro-units (E - 5) • Develop incentives for housing for seniors, farmworkers, and large families (E - 6) • Development and conservation of housing for farmworkers (E - 7) • Development and Rehabilitation of Housing for Persons with Disabilities (E - 10) • Housing for Extremely Low Income and Special Needs Households (E - 11) • Allow 100% Residential in the Downtown Expansion District and allow flexibility for First Street Mixed-Use Corridor projects that accommodate extremely low-income and Special Needs Households (E - 12) • Fair housing counseling (F - 2) • Place-based economic investments in downtown (F - 3) • Displacement prevention ordinance (F - 5)	High
Access to Opportunities	Presence of a R/ECAP Lower access to opportunities than the County as a whole	• Facilitate Missing Middle / Middle Income Housing (A - 10) • Adoption of inclusionary housing policy (A - 11) • Incentives beyond Density bonus state law (A - 12) • SB 9 Processing (A - 16) • Permit streamlining (B - 5) • Source of income protection / housing mobility (F - 1) • Place-based economic investments in downtown (F - 3)	High

Identified Fair Housing Issue	Contributing Factor	Action	Priority
	Lack of missing middle / middle income housing	Targeted outreach in higher resource areas (F - 4)	
Integration and Segregation	East/west income segregation Lack of inclusionary housing policy	- Incentives for affordable ADUs (A - 8) - Facilitate Missing Middle / Middle Income Housing (A - 10) - Adoption of inclusionary housing policy (A - 11) to require development of affordable housing on the west side - Creation of incentives beyond density bonus state law (A - 12) to encourage development of affordable housing on the west side - Source of income protection (F - 1)	Medium
Outreach and Enforcement Capacity	Access to materials in appropriate languages Lack of education and outreach in the R/ECAP area City staff capacity	- Fair housing counseling (F - 2) - Targeted outreach in moderate and high resource areas (F - 4) - Interagency collaboration for lower cost housing (G - 1) - Community access to housing information program (G - 5) - Unhoused population education and outreach (G - 6) - Bilingual engagement (G - 7)	Low

Table 58 provides a detailed overview of actions included in Housing Element Programs that are aimed at affirmatively furthering fair housing. The table separates the actions by their identified fair housing issue and priority level. It summarizes the specific commitment, timeline, geographic targeting, and metric for each program.

Table 58: AFFH Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
Disproportionate Housing Needs				
A - 6: ADU Tracking and Monitoring	Continuously track the number of building permits issued for ADUs. The City will also review geographic distributions of ADUs biennially. If the average ADU production is less than 25 units in years 2023, 2024, and 2025, the City will update the ADU strategy by the end of 2026. In this case, the City will hold a focus group event with local stakeholders in spring or fall 2026. The purpose of the collaborative meeting will be to identify appropriate ADU programs to help increase production. If necessary, the City will identify additional RHNA sites in No Net Loss Inventory, as discussed in Program A - 1.	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process. Hold a focus group event with local stakeholders in spring or fall 2026 if average ADU production is less than 25 in years 2023, 2024, and 2025. Identify additional programs or sites within six months of shortfall.	High Resource Areas	Increase the number of new ADUs permitted in the City from an average of approximately 15.75 (2018-2021) to an average of approximately 25.
A - 8: Financial Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development. This effort will complement Program A-6 (ADU Tracking and Monitoring) The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact Community Development Financial Institutions for potential partnerships.	After program funding is secured and sufficient for the intended purpose. Evaluate the effect of impact fees on ADU development by Q4 end of 2026 if ADU production is lower than anticipated in year 2025	High Resource Areas	Outreach to provide information to 30 households annually.
A - 10: Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow triplexes, and fourplexes to be approved ministerially on corner lots with a minimum 6,000 sf lot size in the R1 and R2 zones (approximately 1,106 lots) so long as the project complies with objective design standards. This Program provides more flexibility than SB 9, by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Update the City's SB 9 policy and website to reflect the changes allowed under this program. Create an informational and promotional pamphlet regarding opportunities to develop triplexes and fourplexes on corner lots in R1 and R2 zones. Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).	By end of Q4 2024.	Citywide	Increased production and reduced permitting time and cost for triplexes and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 6 th Cycle planning period.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
A - 14: Coordination with Santa Clara County Office of Supportive Housing	The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This includes the offer of impact fee waivers through a memorandum of understanding approved by the Gilroy City Council and the County Board of Supervisors in September 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups).	Continual partnership throughout the planning period. Anticipated completion of project by the end of 2028.	Citywide	Development of affordable housing on the 8 th and Alexander property by the end of 2028.
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process; and • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). • Streamlining the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council. Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining, such as AB 2234.	Concurrent with the comprehensive Zoning Ordinance update, end of Q4 2023.	Citywide	Decreased permit processing time.
E - 5: Incentivize Micro-Units	Ensure that provisions for efficiency units are consistent with AB 352 (2017), concurrent with the comprehensive Zoning Ordinance update by the end of Q4 2023. Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-unit development, by the end of 2025.	By end of Q4 2023 and 2025.	Citywide	Adopt the policy.
E - 6: Reduced Parking Requirements for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing. The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit.	By end of Q4 2026.	Citywide	Conduct study and revise Zoning Ordinance, as necessary.
E - 7: Development and Conservation of Housing for Farmworkers	In 2022, the City partnered with the Santa Clara County Office of Supportive Housing, to facilitate lower-income housing on a County owned property by waiving development impact fees for the project. The City shall continue to partner with the Santa Clara County Office of Supportive Housing and various nonprofit organizations to explore and implement ways of providing affordable farmworker housing, including identification of state and federal funding opportunities. At least once a year, the City will forward information about surplus City-owned land and other development opportunities to the Santa Clara County Office of Supportive	Ongoing throughout planning period	Citywide	Preserve and maintain the 3 farmworker housing developments (56 units) and Ochoa Migrant Center (100 units).

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	Housing, affordable housing developers, and service providers who may be interested in developing more farmworker housing in Gilroy. The City will also provide this information at the annual developer roundtable and to individuals on the housing developer list, created through Program G - 1			
E - 10 Development and Rehabilitation of Housing for Persons with Disabilities	As part of the 2023 comprehensive Zoning Code update, the City will evaluate reasonable accommodation standards and procedures and the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones. The City will revise, as necessary, regulations that act as potential constraints to accommodating persons with disabilities.	By end of Q4 2023.	Citywide	Evaluate and revise as necessary reasonable accommodation standards and procedures and permit requirements for residential care homes.
E - 11: Housing For Extremely Low Income and Special Needs Households	The City will facilitate and support affordable housing by meeting with potential affordable housing developers and homeless service providers to identify development opportunities, provide site information, assist in the entitlement processes, and consider on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards. As included in Program G - 1, the City will conduct proactive outreach to specifically include developers of housing for special needs and low-income households in the annual developer roundtable. Additionally, the City will pursue funding sources, such as use of PLHA funds, to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities, including developmental disabilities. The City will consider using PLHA funding for eligible activities, including the predevelopment, development, acquisition, rehabilitation and preservation of affordable housing.	As applications are received. Annual developer roundtable. Pursue funding sources as they are made available.	Citywide	Outreach to affordable housing developers at least bi-annually (4 times over the planning period) when PLHA funds become available.
E - 12: Downtown Expansion District and First Street Mixed-Use Corridor Flexibility	The City will develop a process to allow 100% residential projects in the Downtown Expansion District. The City will also create a process that allows flexibility in the type of non-residential uses allowed in the new First Street Mixed-Use Corridor, subject to certain criteria. In exchange for this flexibility, the City may require that a certain percentage of units are dedicated to extremely low-income households, farmworkers, persons with disabilities, or other identified groups. The intent of this program is to facilitate and encourage housing for extremely low income and special needs households.	Amendments by end of Q4 2025	Downtown Expansion District, First Street Mixed-Use Corridor	Adopted zoning amendments. Facilitation of 100 units using the adopted process in the planning period.
F - 2: Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.	Annual or biennial award of funds. Provision of pamphlets by Q4 2024.	Downtown	Work with Fair Housing Provider to track number of households assisted in Gilroy annual. Provide information to 30 households annually.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
F - 3: Place-Based Improvements in Downtown Gilroy	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: - As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. - As a part of downtown revitalization, the City will construct a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. - As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) - As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy. - The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City. - The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space should be complete by the end of 2023.	Downtown	Construction of one parking lot with a community event space; reconstruction of 20 curb ramps.
F - 5: Displacement Prevention Policy	Adopt a displacement prevention policy. Organize a focus group of organizations with experience in displacement prevention policies (e.g., SV@Home) and complete an analysis of best practices in jurisdictions that are similar to Gilroy. Measures that are being considered for inclusion in the policy are "tenant option to purchase agreements" for redevelopment projects meeting specified thresholds, a just cause eviction ordinance, and relocation agreements. Through Program B-7, the City will amend the Zoning Ordinance to require that any demolished residential units on the Sites Inventory be replaced pursuant to Government Code Section 65583.2(g).	Hold focus group and complete analysis by end of Q4 2025. Adopt policy by end of Q4 2026.	Areas denoted above as having vulnerability to displacement	Adopt the policy.
Access to Opportunities				

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
A - 10: Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow triplexes, and fourplexes to be approved ministerially on corner lots with a minimum 6,000 sf lot size in the R1 and R2 zones (approximately 1,106 lots) so long as the project complies with objective design standards. This Program provides more flexibility than SB 9, by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Update the City's SB 9 policy and website to reflect the changes allowed under this program. Create an informational and promotional pamphlet regarding opportunities to develop triplexes and fourplexes on corner lots in R1 and R2 zones. Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).	By end of Q4 2024.	Citywide	Increased production and reduced permitting time and cost for triplexes and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 6 th Cycle planning period.
A - 11: Inclusionary Housing Policy	Conduct an inclusionary housing feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market the below market-rate units and accessible/adaptable units.	By the end of 2024.	Citywide	Increased production of affordable housing within the City, including housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resource areas of the City.
A - 12: Incentives Beyond Density Bonus State Law	Study and consider adopting a density bonus ordinance above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low income households, farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided.	By end of Q4 2025.	Citywide	Adoption of Zoning Ordinance amendment; Increased housing choice and mobility for special needs households.
A - 16: SB 9 Processing	In conjunction with Program A-10 (Facilitate Missing Middle / Middle Income Housing), the City will update its SB 9 webpage to highlight the streamlined process for approving SB 9 applications. The City will also create and post step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy. The Planning Department will hold informational meetings with the building division and engineering/land development division to review the streamlined process to ensure the City complies with state law.	By end of Q4 2024.	Citywide	Update SB 9 webpage; create instructions for processing SB 9 units and lot splits; hold informational meetings with building and engineering/land development divisions.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process; and • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). • Streamlining the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council. Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining, such as AB 2234.	Concurrent with the comprehensive Zoning Ordinance update, end of Q4 2023.	Citywide	Decreased permit processing time.
F - 1: Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.	Informational outreach by end of Q4 2024 Outreach to 50 landlords or tenants annually.	Downtown	Conduct workshop with residents.
F - 3: Place-Based Improvements in Downtown Gilroy	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: • As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. • As a part of downtown revitalization, the City will construct a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. • As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) • As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy. • The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space should be complete by the end of 2023.	Downtown	Construction of one parking lot with a community event space; reconstruction of 20 curb ramps.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City. The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets			
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: - Allow triplexes and quadplexes that meet objective design standards to be approved ministerially on corner lots in the R1 and R2 zones (Program A-10). - Adopt an inclusionary housing policy (Program A-11) Adopt a incentives beyond density bonus state law policy to include incentives for special needs households (Program A-12)	By Q2 2025.	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies.
Integration and Segregation				
A - 8: Financial Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development. This effort will complement Program A-6 (ADU Tracking and Monitoring) The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact Community Development Financial Institutions for potential partnerships.	After program funding is secured and sufficient for the intended purpose. Evaluate the effect of impact fees on ADU development by Q4 end of 2026 if ADU production is lower than anticipated in year 2025	High Resource Areas	Outreach to provide information to 30 households annually.
A - 10: Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow triplexes, and fourplexes to be approved ministerially on corner lots with a minimum 6,000 sf lot size in the R1 and R2 zones (approximately 1,106 lots) so long as the project complies with objective design standards. This Program provides more flexibility than SB 9, by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Update the City's SB 9 policy and website to reflect the changes allowed under this program. Create an informational and promotional pamphlet regarding opportunities to develop triplexes and fourplexes on corner lots in R1 and R2 zones. Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).	By end of Q4 2024.	Citywide	Increased production and reduced permitting time and cost for triplexes and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 6 th Cycle planning period.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
A - 11: Inclusionary Housing Policy	Conduct an inclusionary housing feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market the below market-rate units and accessible/adaptable units.	By the end of 2024.	Citywide	Increased production of affordable housing within the City, including housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resource areas of the City.
A - 12: Incentives Beyond Density Bonus State Law	Study and consider adopting an affordable housing incentives policy above and beyond the minimum requirements of density bonus state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate incentives / density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided.	By end of Q4 2025.	Citywide	Adoption of Zoning Ordinance amendment; increased housing choice and mobility for special needs households.
F - 1: Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.	Informational outreach by end of Q4 2024. Annual education and outreach to landlords and tenants.	Downtown	Outreach to 50 landlords or tenants annually.
Outreach and Enforcement Capacity				
F - 2: Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.	Annual or biennial award of funds. Provision of pamphlets by end of Q4 2024.	Downtown	Annual or biennial award of funds. Provision of pamphlets by Q2 2024. Work with Fair Housing Provider to track number of households assisted in Gilroy annually. Provide information to 30 households annually.
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions:	By Q2 2026.	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	- Allow triplexes and quadplexes that meet objective design standards to be approved ministerially on corner lots in the R1 and R2 zones (Program A-10). - Adopt an inclusionary housing policy (Program A-11) - Adopt an incentives beyond density bonus state law policy to include incentives for special needs households (Program A-12)			
G - 1: Collaboration with Development Community	The City shall continue to cultivate new and existing relationships, throughout the planning period, with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development. Invite affordable housing developers and developers of housing for special needs households to the annual developer roundtable meeting. The City will create a list of housing developers, including developers of affordable and special needs housing. The list will be used for the annual developer roundtable (or equivalent), and to advertise development opportunities, funding opportunities, and other educational and engagement efforts in the City.	Collaboration with other agencies on an annual basis.	Countywide	Host an annual developer roundtable (or equivalent) meeting. Participation of at least four developers of affordable and special needs housing in the annual meeting. Creation of developer interest list by end of Q4 2024.
G - 5: Housing Outreach and Information	The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as: - Conducting workshops and webinars by partnering with community-based organizations to inform residents of housing resources, assistance programs, and funding opportunities, on a monthly basis on average. - Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. - Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. - Coordinating with the City's Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area.	Update the City website with housing information as new resources become available. Annual housing event in the DTSP area. Conduct community outreach workshops on housing resources on a monthly basis on average.	Downtown Specific Plan Area	Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually.
G - 6: Unhoused Population Education and Outreach	The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population. Specifically, the program will include: - Creation of a dedicated webpage with information on unhoused resources and efforts. - Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. - Gathering information on resources that exist in the City and County for the unhoused population and promote the information at City Hall and on the City's	y end of Q4 2025; monthly meetings of the unhoused service providers group.	City-wide, Eastern Gilroy, R/EACAP	Minimum of 3 medium of outreach. Scheduled service provider meetings throughout the planning period.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	website. This information will also be provided through the various outreach methods in Program G - 5. Revamping the unhoused service providers network which consists of monthly meetings with direct unhoused service providers in the City. The network serves to increase collaboration and partnership among service providers and the City, to connect the unhoused with services. The monthly meetings serve to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts.			
G - 7: Bilingual Engagement	Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5. In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.	Immediately upon adoption of the Housing Element.	Eastern Gilroy, R/EACAP	Minimum of 3 medium of outreach. Monthly service provider meetings throughout the planning period.
G - 8: Help Center Webpage	In partnership with local nonprofit organizations, the City will develop a Housing Help Center webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid. This webpage will consolidate existing information on the City's website with additional information provided by local service providers to best serve the needs of the Gilroy community.	By end of Q4 2024	Citywide	The City will advertise the Housing Help Center to at least 100 residents each year through the City's community outreach efforts.

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE CONSTRAINTS ON HOUSING

Constraints on Housing

There are a wide variety of factors that influence whether, where, when, how, and what type of housing is constructed. While many factors enable, guide, and even incentivize housing construction, almost all also pose some sort of limitation or constraint as well. Land use policies and regulations are necessary but, by definition, establish limits on growth and development. These limits work with, influence, and are balanced by market forces.

There are generally two types of constraints: governmental and nongovernmental. Governmental constraints include the policies, regulations, and procedures that directly affect housing. This includes the goals, policies, and programs of the General Plan and the development standards and requirements of the Zoning Ordinance and other land use ordinances. Nongovernmental constraints include those factors that are beyond the direct control and authority of the City.

This section identifies and evaluates those factors that may pose significant constraints or burdens that may limit or constrain the production of housing to meet local and regional housing needs and the goals and objectives of the General Plan. Such constraints, particularly those that limit the construction of or fair access to affordable housing, must be addressed with clear, measurable, and timely programs.

Governmental Constraints

Governmental constraints can limit or deter the operations of the public, private, and nonprofit housing development sectors, make it difficult to meet the demand for housing, and limit housing supply in a region. Such constraints can limit access to housing mobility and housing choice or prevent lower-income segments of the population from having adequate housing opportunities. Governmental constraints may include, but are not limited to, land use controls, development standards, local processing and procedures, and permitting fees.

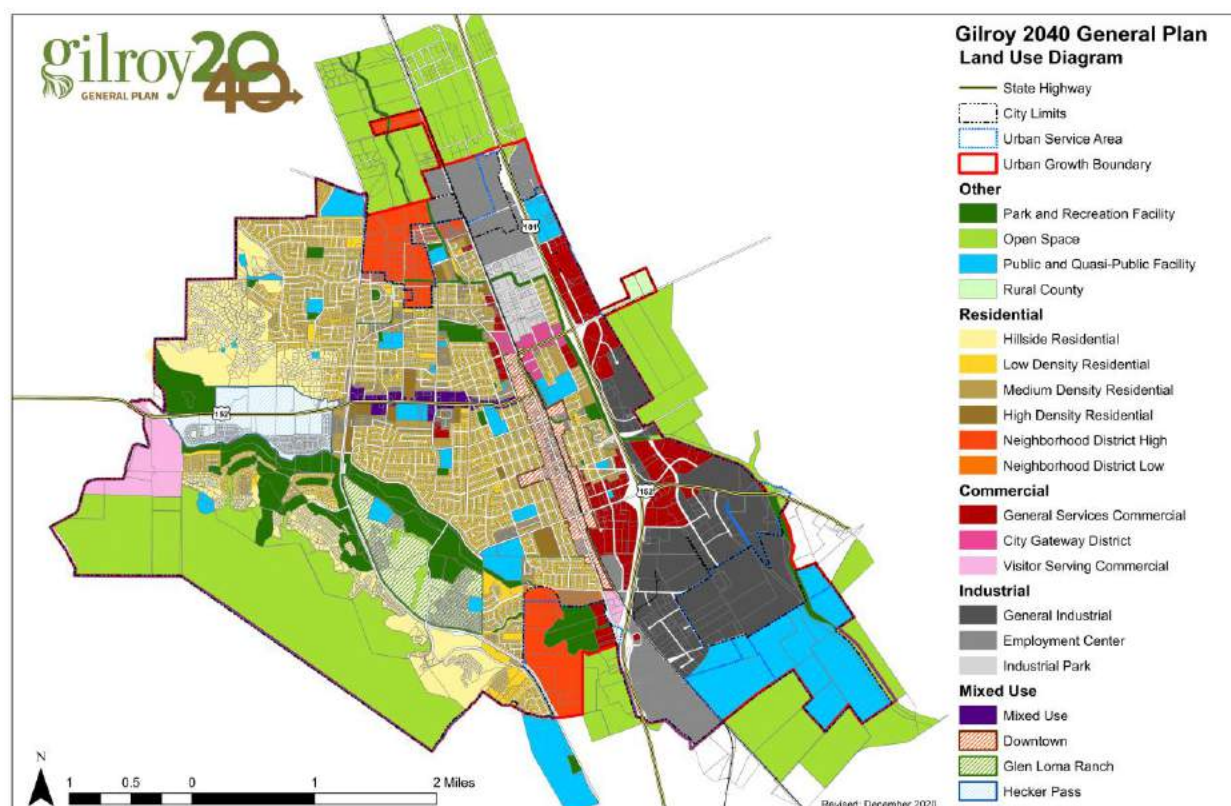
Land Use Controls

General Plan

The City of Gilroy adopted an updated General Plan in November 2020. The Gilroy 2040 General Plan is a comprehensive, long-range general policy document that expresses the community's vision and establishes eight guiding principles for development. One of the guiding principles includes encouraging a mix of housing types to create diverse neighborhoods to meet the needs of all residents. Among other efforts, the Gilroy 2040 General Plan allows for an increase in housing by creating a new Mixed-Use land use designation and removing the maximum density specified for the High-Density Residential land use area. The Land Use Element of the General Plan identifies the location, distribution, density, and intensity of land use within the City. The Environmental Impact Report (EIR) for

the 2040 General Plan analyzed the development potential of the plan for up to 6,477 new housing units and an additional population of 19,756.³⁴

Figure 44: Gilroy Land Use Map



There are seven residential land use designations in the Gilroy General Plan, as follows:

- **Hillside Residential (HR):** This designation is generally applied to developable hillside areas with slopes of 10 percent to 30 percent. Developments in these areas must follow special design and siting criteria to preserve the sensitive hillside environment together with the views and vistas of surrounding hillsides, hilltops, and ridgelines. The permitted density is 0 to 4 dwelling units per net acre (du/ac). The implementing zone is the Residential Hillside (RH) district.
- **Low Density Residential (LDR):** This is the most common residential land use designation in Gilroy. It is applied to areas of predominantly single-family detached dwellings, with typical lot sizes ranging from 5,000 square feet to 7,000 square feet. Appropriate residential uses include single-family detached homes and secondary ("accessory") dwelling units (ADU) that comply with City standards. The permitted density is 3–8 du/ac. The implementing zones are R1 and R2.

³⁴Final Gilroy 2040 General Plan EIR. <https://www.cityofgilroy.org/DocumentCenter/View/11308/Draft-EIR---Gilroy-2040-General-Plan-?bidId=>

- **Medium Density Residential (MDR):** This designation is intended primarily for multifamily attached structures (townhomes, condominiums, and apartment buildings). Buildings are typically two to three stories tall. This designation is typically applied to transition areas between lower-density neighborhoods and higher-density developments or commercial areas. The permitted density is 8–20 du/ac. The implementing zone is R3. While the R3 zone currently only allows 8–16 du/ac, it will be updated in the comprehensive zoning update to allow for 8–20 du/ac (Program B - 2).
- **High Density Residential (HDR):** This designation allows higher density attached housing types (apartments and condominiums), often within walking distance of commercial areas. The predominant housing type is multifamily dwellings, such as apartments or condominiums, with buildings typically comprising two or more stories. The permitted density is 20+ du/ac, with no maximum density or floor area ratio (FAR) requirements. The implementing zone is R4. The R4 zone currently allows for 20–30 du/ac, and the upper limit will be removed in the ongoing comprehensive Zoning Ordinance update to ensure consistency with the General Plan (see Program B - 2).
- **Mixed Use (MU):** The purpose of this designation is to encourage a mix of retail, office, and high-density residential uses. Mixed use could also include mixed-use commercial (e.g., retail and office). Multi-story structures and more intense uses should be located at major intersections and lower intensity uses, adjacent to neighborhoods. Street-level frontage of mixed-use projects shall be developed with pedestrian-oriented, typically commercial, uses. Residential uses can be integrated on the same site with other uses in either a vertical or horizontal design. Stand-alone residential uses are not allowed. The permitted density is a minimum of 20 and a maximum of 30 du/ac. The implementing zones are within the Downtown Specific Plan area and the mixed-use corridor along First Street. As a part of its comprehensive code update, the City is in the process of creating a zoning district for the mixed-use First Street corridor with the anticipated completion in 2023 (Program B - 2). Any mixed-use development within the First Street mixed-use corridor will be entitled in accordance with the development standards set forth in the Zoning Ordinance and the density allowance per the 2040 General Plan. The design of projects will be subject to the City's existing objective development design standards until the First Street Corridor mixed-use design and development standards are adopted.
- **Rural County (RC):** The purpose of this designation is to preserve rural residential, hillside, and productive agriculture land uses located outside areas planned for urban development. Allowed uses include rural residential, grazing, active agricultural production, associated agricultural processing, sales, and support uses. Typical building types include low-intensity structures associated with farming and agricultural processing and sales. One single dwelling unit per parcel is allowed. The implementing zone is RR.

- **Neighborhood District (ND High, ND Low):** The purpose of these designations is to encourage compact, complete, neighborhood-style development. Traditional single-family uses will comprise a substantial portion of these districts. Commercial and medium- to high-density residential uses should be clustered to form neighborhood centers. Neighborhood District High and Low may use a Neighborhood Commercial (NC) designation to designate land in neighborhood centers to encourage low-intensity commercial uses that cater directly to residents in the immediate neighborhood. The 0–7 du/ac category is intended for single-family detached dwellings with varying lot sizes. The 7–9 du/ac category is intended for a combination of two-family and some single-family detached dwellings. The 9–16 du/ac category is intended to accommodate a combination of small-lot and attached single-family dwellings, as well as multifamily dwelling options. The 16–30 du/ac category is intended to provide a variety of attached single-family and multifamily residential styles of development. The implementing zone is ND.
 - The Neighborhood District land use designation is generally applied to vacant land that is currently outside the City's Urban Service Area (USA) but within the City's Urban Growth Boundary (UGB) area. The UGB area applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. There are two designated neighborhood districts, one in the north and one in the south, that are currently outside of the USA. The City is in the process of requesting approval from the Santa Clara County Local Agency Formation Commission (LAFCO) to bring approximately 54 acres of unincorporated county land into the City's USA. The land is located just outside City limits to the north. The City also received a preliminary application for a USA amendment for land located just outside City limits to the south. If the USA is amended and the land is eventually annexed into the City (a lengthy two-step process), the property would be subject to the City's inclusionary policies for the Neighborhood District.
 - Each Neighborhood District development is required to construct a minimum of 15 percent of its units at affordable prices. Specific requirements regarding the level of affordability were contained in the City's Residential Development Ordinance (RDO) policy. However, this policy is no longer in effect due to state legislation (e.g., Senate Bill [SB] 330) and the implementing ordinance will be repealed in accordance with Program B - 1. To ensure compliance with state law, and provide more comprehensive affordability benchmarks, Program A - 5 is included to review and revise the Neighborhood District Policy. Program A - 11 will include analyzing potential adoption of an Inclusionary Housing Policy that would apply to properties outside the Neighborhood District planning area.
 - Table 59 displays the target densities for both low and high Neighborhood District designations. Neighborhood Districts include the Hecker Pass Specific Plan area and the Glen Loma Ranch Specific Plan area, which are both under development in the planning period. The rows denote the maximum or

minimum percentages of the land area within this land use designation that must fall within the specified density.

- Neighborhood District target densities and inclusionary requirements may act as a potential constraint to housing; however, the City has found that they do not discourage development. As a part of Program A - 5, the City is revising Neighborhood District standards to no longer rely on the RDO and is updating the Neighborhood District's inclusionary housing policy.

Table 59: Neighborhood District Target Densities

	0-7 du/ac	7-9 du/ac	9-16 du/ac	16-30 du/ac
Low	82% max.	5% min.	10% min.	3% min.
High	60% max.	5% min.	25% min.	10% min.

Source: City of Gilroy 2040 General Plan.

Hecker Pass Specific Plan

The Hecker Pass Specific Plan projects the development of 521 housing units. The Specific Plan designates three “clusters” for residential development: North Cluster (57 units), West Cluster (205 units), and East Cluster (259 units). The Specific Plan aims to provide a variety of housing types in each cluster, but offers some flexibility in how that variety is achieved. The Specific Plan gradually transitions the intensity of development from the Village Green project into the Specific Plan area, with more intensive development on the eastern side of the plan as it moves from rural to urban. The Hecker Pass Specific Plan was approved before inclusionary housing policies were adopted, and thus was not subject to the Neighborhood District Policy's affordable housing requirement.

Glen Loma Ranch Specific Plan

The Glen Loma Ranch Specific Plan area is approximately 392 acres located between Santa Teresa Boulevard and the Uvas Creek corridor. The project includes a maximum of approximately 1,693 residential units in up to 17 neighborhoods comprising detached single-family residences, attached townhomes, apartments, and senior-only units. Under the Neighborhood District Policy, 15.1 percent of units will be affordable to very low-, low-, and moderate-income households.

Downtown Specific Plan

The Downtown Specific Plan contains six districts with the purpose of creating a pedestrian-oriented and economically vibrant downtown. Adopted in 2005, the Downtown Specific Plan anticipated potential for development of 1,576 new residential units over 20 years. Mixed uses and residential development above the ground floor are encouraged in the Downtown Specific Plan. The Downtown Specific Plan allows 100 percent commercial use in all of its zones. Mixed-use residential is encouraged but not required and could include mixed-commercial (e.g., retail and office). Although 100 percent commercial use is allowed, City staff have not seen a demand

for new 100 percent commercial projects. The exception to this is new commercial uses occupying existing commercial buildings that don't require significant upgrades. Residential dwelling units are permitted by-right in all Downtown Specific Plan districts on the second story and above.

Downtown Historic District (DHD)

This district is suitable for the improvement and maintenance of existing commercial structures or the conversion to or construction of new mixed-use development. Residential mixed-use projects are encouraged. The Downtown Historic District allows commercial and mixed-use projects, both of which have a maximum FAR of 2.5. The minimum density for the residential component of mixed-use projects is 20 du/ac. Residential units are permitted by-right on the second story or above in the Downtown Historic District. A conditional use permit is required for residential uses on the first floor.

Downtown Expansion District (DED)

This district is suitable for the improvement and maintenance of existing commercial structures or the construction of or conversion to new mixed-use development. Residential mixed-use projects are encouraged. The Downtown Expansion District allows commercial and mixed-use projects, both of which have a maximum FAR of 2.5. The minimum density for the residential component of mixed-use projects is 20 du/ac. Residential units are permitted by-right on the second story or above in the Downtown Expansion District. A conditional use permit is currently required for residential uses on the first floor.

Approximately 29.9 percent of the very low-income opportunity site units and approximately 44.9 percent of the moderate-income opportunity site units are located in the City's Downtown Expansion District (20.4% and 44.9%) and First Street Corridor District (9.5% and 0%). To increase the likelihood that sufficient RHNA units are built in these two districts, the City added Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility). This Program will allow 100 percent residential projects in the Downtown Expansion District and flexibility for non-residential units in the First Street Mixed Use Corridor, should projects meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

Civic/Cultural Arts District (CCA)

This district is suitable for the development of new multi-use civic, cultural and civic-serving uses. The Civic/Cultural Arts District also allows commercial and mixed-use projects. Residential mixed-use projects are encouraged but not required. Residential units may be allowed on the ground floor if they are located between Egleberry Street and Church Street and behind a business. From Monterey Street to Church Street, commercial and mixed-use projects have a maximum FAR of 1.5, and from Church Street to Dowdy Street there is a maximum FAR of 1.0.

Transitional District (TD)

This district is suitable for the conversion of existing residential structures to commercial uses and for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a maximum FAR of 1.5. Stand-alone residential projects are at most 20 du/ac.

Cannery District (CD)

This district is suitable for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a FAR of 2.0. The minimum density for the residential component of mixed-use projects is 20 du/ac. Stand-alone residential projects must develop at a density ranging from 20 to 40 du/ac.

Gateway District (GD)

This district is suitable for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a maximum FAR of 0.75. Stand-alone residential projects can be developed at 30 du/ac.

Downtown Specific Plan Development Standards

Table 60 displays the allowable densities and development standards in each of the Downtown Specific Plan districts. The districts also generally have very permissive development standards, including zero-foot minimum setbacks, and height limits of 50 feet or 4 stories in all areas not fronting Railroad Street.

The passing of Assembly Bill (AB) 2097 will reduce constraints to development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of high-quality public transit. Prior to the passage of AB 2097, the Downtown Specific Plan area already had lower parking requirements than other residential areas in the City. For projects not subject to AB 2097, the parking requirements for residential units are 1 space per unit and 1 guest space per 6 units for units that are up to 800 square feet. If greater than 800 square feet, the requirement is 1.5 spaces per unit and 1 guest space per 4 units. Parking standards are often a potential constraint to development. However, in Gilroy, they are appropriate and not excessive, given Gilroy's suburban context outside urban job centers to the north.

Table 60: Downtown Specific Plan Development Standards

District	Lot Requirements Lot Size in Square Feet (min)	Yard Requirements (Setbacks in Feet Measured from Property Line) (min/max)				Height Requirements (max)		FAR	Density	Building Form	
		Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Feet ⁶	Stories ⁷			Street Front Building Height (Min Feet)	Third and Fourth Floor Setback Required
Downtown Historic District (DHD)	N/A	0/15	0/10 ¹	0/none ²	0 ³ /none	50	4	2.5	20 du/ac (min)	25	Yes
Downtown Expansion District (DED)	N/A	0/15	0/10 ¹	0/none ²	0 ³ /none	50	4	2.5	20 du/ac (min)	25	Yes
Civic/Cultural Arts District (CCA)	N/A	0/none	0/none ¹	0/none ²	0/none	50	4	-	N/A ⁸	25	Yes
Transitional District (TD)	N/A	-	-	-	-	40	3	1.5 ⁵	20 du/ac (max)	N/A	No
Cannery District (CD)	N/A	0/15	10/none ¹	0/10	0/none	50	4	2.0 ⁵	20-40 du/ac (min/max)	25	No
Gateway District (GD)	N/A	15/none	15/none	15/none	10/none	40	3	0.75 ⁵	30 du/ac (max)	N/A	No

Table 61: Downtown Specific Plan Development Standards (Special Circumstances)

District	Eigleberry Street to Church Street				Church Street to Dowdy Street				East of Eigleberry Street				West of Eigleberry Street			
	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear
Civic/Cultural Arts District (CCA)	0/10	10/non e	0/10	10/non e	20/non e	10/non e	10/non e	10/non e	-	-	-	-	-	-	-	-
Transitional District (TD)	-	-	-	-	-	-	-	-	0/15	10/non e ¹	0/non e ²	0/5	15 ⁴ /none	10/non e	5/non e	10/no ne

Source: City of Gilroy Zoning Ordinance

¹ To be reviewed for vehicular sight distance.

² To be reviewed by staff to ensure compliance with urban design principles.

³ Rear yard setback for parcels east of Monterey Street, between Lewis and Seventh is 51 feet to accommodate drive access and parking.

⁴ Ten-foot setback to property line allowed with a porch.

⁵ Use floor area ratio to determine project size for commercial and mixed-use development and use residential density to determine project size for stand-alone residential development. Residential use is only allowed as part of a mixed use development within the DHD, DED and CCA districts. Standalone (multifamily) residential development is only allowed within the CD, GD and TD districts. See Article XIV for additional specifications.

⁶ The planning division manager may approve architectural features such as tower elements, elevator service shafts, and roof access stairwells which extend up to 10 percent above the height limit.

⁷ New buildings should be no more than two stories higher or lower than neighboring buildings. If higher or lower buildings are desired, the massing should be stepped so as to create a smooth transition.

⁸ No min/max density. See Downtown Specific Plan for additional specifications. Residential apartments, townhomes, and live/work units above/behind ground floor are only allowed between Eigleberry Street and Church Street

Zoning Ordinance

The Zoning Ordinance, Chapter 30 of the Gilroy City Code, is the primary tool for implementing the land use designations in the Gilroy 2040 General Plan. The Zoning Ordinance provides controls over land use. The following discussion represents standards in the Gilroy Zoning Ordinance as of April 2023. In conformance with the 2040 General Plan and current state housing law, a comprehensive update of the Zoning Ordinance is anticipated to be complete by the end of 2023. As such, some existing standards identified in this analysis will be updated with the new Zoning Ordinance and in accordance with state law. Known instances are noted and the appropriate programs are referenced. Existing residential development standards are shown in Table 62.

The City's General Plan allows for a range of densities and housing types to meet the needs of all income levels. AB 2348 established "default" density standards. If a local government has adopted density standards consistent with the established population criteria, sites with those density standards are accepted as appropriate for accommodating the jurisdiction's share of regional housing need for lower-income households. Pursuant to AB 2348 and the 2020 decennial census, Gilroy is considered a "jurisdiction within a metropolitan county" with a "default" density for affordable units of 30 du/ac. Densities of at least 30 du/ac are allowed in the High-Density Residential zone and Neighborhood District. Densities of 30 du/ac are also allowed in the First Street mixed-use corridor and specified Downtown Specific Plan designations, described above.

Table 62 displays the existing residential standards as outlined in the City's Zoning Ordinance as of April 2023. Note that there are instances where state law may supersede the current standards in the Zoning Ordinance. If there is a conflict, state law supersedes the Zoning Ordinance, and staff will process development applications accordingly. For instance, SB 9 applies to many parcels in the R1 zone and allows them to have up to four units, though the current maximum density is one dwelling unit per lot. SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9, by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter. Furthermore, the City has a dedicated webpage that provides SB 9 information (e.g., more permissive development standards) to the public and potential applicants.

Residential Densities

The Zoning Ordinance will be updated in 2023 so that development standards permit the allowed densities under the 2040 General Plan. To facilitate consistency, the consultant who prepared the City's new General Plan is also preparing the Zoning Ordinance update.

Planned Development Exceptions

Most single-family residential projects are approved ministerially, while, hillside residential single-family and multifamily residential projects that comply with objective development and design standards can generally be approved through an administrative staff review process, without the need for public hearings. However, applicants can request smaller lot sizes, increased height, and decreased setbacks (for example) through the Planned Development process, which is outlined in the Zoning Ordinance. The Planned Development process allows for more economical and efficient land use through diversification in development standards for buildings, structures, and open spaces. Public hearings are required in exchange for this flexibility.

Lot Size

The Zoning Ordinance will be updated in 2023 to be consistent with the lot sizes described in the 2040 General Plan. For example, the typical lot size for the low-density single-family residential land use designation in the 2040 General Plan ranges from 5,000 square feet to 7,000 square feet.

Height Limits

The City has two types of height limits in residential districts: a maximum height measured in stories and an absolute height. Height limits in the R3 zone are 3 stories or 45 feet. For the R4 zone, the height limits are 6 stories or 75 feet, whichever is less. Parking garages that are aboveground would count toward the story limit, while those that are belowground do not. The height limits do not constrain development from reaching their prescribed General Plan densities (8-20 du/ac for medium density sites and 20+ du/ac for high density sites).

Setbacks

All residential zones have setbacks, which are the minimum distances between a structure and a lot line. Setbacks in Gilroy are largely uniform between the residential zones, with 26-foot front setbacks, 6- to 12-foot interior side setbacks, 21-foot street side setbacks, and 15-foot rear setbacks. While all setbacks reduce the amount of land that is developable on a site, the setbacks do not constrain projects from reaching the maximum housing density in a zone.

Floor Area

The City of Gilroy does not regulate residential floor area, other than for ADUs. The ADU Ordinance will be updated in 2023 (and in future years) to be compliant with current state law. Although not required by state law, the City will increase the allowable floor area for ADUs from 1,000 square feet to 1,200 square feet through Program A - 15.

Lot Coverage

The City of Gilroy does not regulate residential lot coverage, other than restricting the amount of paving in the front yard to 50 percent maximum.

Table 62: Residential Standards (2022)

District	Lot Requirements Lot Size in Square Feet (Lots Using Street Standards Adopted in February 2006) ¹	Yard Requirements (Minimum Setbacks in Feet. Property Lines Adjacent to Streets Measured from the Face of Curb)						Height Requirements		Density	
		Front	Front (Lots on Bulb of Cul-de-sac)	Side (Adjacent to a Street)	Side (All Other Side Yards)	Rear	Rear (Yards Backing onto Street)	Feet	Stories	Maximum Density	Units per Acre
A1	20 acres	26 ²	22 ²	21	12	15 ⁶	26	35	2	Maximum of one dwelling unit per lot	
RR	2.5 acres	26 ²	22 ²	21	12	15 ⁶	26	30	2	Maximum of one dwelling unit per lot	
R1	6,660 sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	Maximum of one dwelling unit per lot (not including units permitted through SB 9)	3 – 7.25
R2	8,880 ⁴ sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	One dwelling unit per 4,000 square feet of land to a maximum of two units per lot	3 – 9
R3	8,880 sf	26 ²	22 ²	21	12	15 ⁶	26	45 ⁵	3	One dwelling unit per two 2,722 square feet of lot area	8 – 16
R4	13,320 sf	26 ²	22 ²	21	12	15 ⁶	26	75 ⁵	6	One dwelling unit per 1,452 square feet up to a maximum site area of 2,178 square feet per unit	20 – 30
HR	N/A	+	+	+	+	+	+	30	2	Determined by the average slope with a maximum of two acres/unit	
ND*	*	*	*	*	*	*	*	*	*	*	*

Source: Gilroy City Code Chapter 30.

1 See Zoning Ordinance for lot size requirements for lots using street standards adopted prior to 2006.

2 Garage vehicular entrances shall be set back from the property line such that they have a minimum 18-foot-long driveway measured from the back of the sidewalk.

3 For dwellings located within new subdivisions (after the effective date of the ordinance codified in this chapter), containing five or more lots, the total width of the two side yards for any one lot in an R1 or R2 district must equal 12 feet. For structures in existence on the effective date of the ordinance codified in this chapter, a 6-foot side yard setback shall be maintained, unless a smaller side yard has been allowed by a variance, planned unit development, or preexisting, nonconforming use.

4 7,000 square feet for preexisting lots created prior to September 15, 1983; 6,000 square feet for one single-family dwelling.

5 For R3 and R4 lots proposed to be developed with one single-family residence as the primary use, the height of the residential dwelling unit shall not exceed two stories and 35 feet.

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- 6 Rear yard setbacks may be reduced to 10 feet to accommodate a 5-foot encroachment for rear yard patio covers.
- * Residential site and building requirements shall be established by the master plan or specific plan for the neighborhood district area in which the property is located.
- + All setback requirements shall be as specified in the planned unit development (PUD) approval which shall be obtained according to the provisions of section [30.50.50](#).

Parking

The provision of parking is a significant cost for all forms of development. High parking requirements reduce the potential land available for development and increase the cost of development. Table 63 displays the parking requirements for residential developments in Gilroy. Parking requirements often pose a potential constraint on development. However, construction of recent developments, including below market-rate units, demonstrate that Gilroy's existing parking requirements are appropriate and are not an unreasonable constraint.

In addition to these minimum standards, Gilroy has a maximum parking requirement. Per Gilroy City Code Section 30.31.30 (a), the maximum parking requirement is 10 percent above those listed in the parking schedule, and any parking spaces beyond the 10 percent must be offset with an equal amount of landscaping.

Table 63: Residential Parking Standards (2022)

Type of Residential Development	Required Parking Spaces (off street)
Single- and two-family dwellings	Two stalls per dwelling unit, one of which shall be a covered carport or garage (each space must be at least 10 feet by 20 feet).
Multiple family dwellings	One and one-half stalls per one-bedroom or two-bedroom dwelling unit and two stalls for each unit having three or more bedrooms or rooms which could be used as bedrooms, plus one stall for every four units for guests. One stall for each unit shall be covered with a garage or carport.
Accessory dwelling units (detached)	One stall per unit*
Downtown Specific Plan Residential Parking Requirements	
Residential units < or equal to 800 sq. ft	One space per unit plus one guest space per six units
Residential units > 800 sq. ft.	1.5 spaces per unit plus one guest space per four units

Source: Gilroy City Code Chapter 30.

* A parking stall will not be required for an accessory dwelling unit that meets any of the following criteria:

1. The accessory dwelling unit is created as a result of the conversion of existing area of the single-family residence or existing permitted single-family residential accessory structure.
2. An existing single-family residential garage, carport, or parking structure is converted or demolished to accommodate an accessory dwelling unit in the same location.
3. The accessory dwelling unit is within 0.5-mile walking distance of a public transit station, such as a bus stop or train station.
4. The property is in an architecturally and historically significant historic district.
5. On-street parking permits are required in the area but not offered to the occupant of the residential accessory dwelling unit.
6. A car share vehicle is located within one block of the accessory dwelling unit.

Cumulative Effect of Development Standards

The City of Gilroy has permissive standards for development, especially in its Downtown Specific Plan area. The cumulative effect of development standards is not likely to constrain the ability of developers to achieve densities on site development. This is evident in the entitled

and pending projects analysis (see Table 79). Additionally, many recent projects have been developed at the City's standards and were able to achieve moderate and high densities. Multifamily developments in R4 and Downtown Specific Plan Zone areas have consistently been approved or constructed to the maximum density (or higher pursuant to state Density Bonus Law or other provisions). Recently proposed or approved developments include:

- A four-story, 120-unit affordable development on 3.4-acre parcel in the R4 zone (35 du/acre)
- A 100-unit affordable development on a 3.9-acre parcel in the R4 zone (25 du/acre)
- A 75-unit development on a 1.86-acre parcel in the Gateway District in the Downtown Specific Plan (40 du/acre)
- A 120-unit development on a 3.9-acre parcel in the R4 zone (30.8 du/acre)
- A 268-unit development in the Downtown Expansion District in the Downtown Specific Plan on 6.8 acres (38.7 du/acre)
- A preliminary proposal for a 94-unit affordable development in the Downtown Gateway District on 2.9 acres (32.4 du/acre)

These and other entitled and pending projects include a total of 62 very low-, 401 low-, and 3 moderate-income units.

Developers, residents, and other stakeholders participated in the public engagement process for the Housing Element Update and provided suggestions for several aspects of the City's development standards that could be changed to facilitate the production of housing. These included removing parking minimums, rezoning nonresidential areas to allow residential development, and increased density.

In the effort to reduce and/or eliminate constraints identified in Gilroy's land use controls, the City will study and consider adopting a density bonus above state law (A - 12), amend the Zoning Ordinance to ensure that the General Plan maximum densities are achievable by the implementing zones (B - 2), review and revise development standards to ensure objectivity (B - 6), and evaluate development standards for all zones including the Downtown Specific Plan zones for potential constraints (B - 7). Program A - 10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size. Under Program A - 15 (ADU Ordinance Updates), the City will replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County and increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet. Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) was added to allow 100 percent residential projects in the Downtown Expansion District and flexibility for non-residential uses in the First Street Mixed-Use Corridor, should projects meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

Density Bonus

California Government Code Sections 65915 through 65918, known as the density bonus law, were enacted to encourage developers to build affordable housing by requiring local governments to provide meaningful incentives in exchange for those affordable units.

The City implements density bonuses through Section 30.46.40 of the Gilroy City Code. This section of the Gilroy City Code references and incorporates the state density bonus law. The City is fully compliant with state density bonus law, and knows how to properly implement it if requested by a developer. Multiple projects have utilized the density bonus, including the Jemcor Apartments (130 units), the Hecker Pass Apartments (100 units), and the First and Kern Apartments (120 units).

The City is including Program A - 12 to study and adopt a density bonus policy beyond what is required by state law to further encourage development of affordable housing. The program will specifically consider additional incentives for households with special needs such as large households, extremely low-income households, households with developmentally disabled individuals, and farmworker households.

Providing for a Variety of Housing Types

Table 64 shows the allowed uses within residential zones in the City's Zoning Ordinance. In some instances, state law also affects the uses that are allowed in a zone. If there is a conflict, state law supersedes the Zoning Ordinance. For instance, SB 9 applies to many parcels in the R1 zone, and allows them to have up to four units, inclusive of an ADU and a junior ADU. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter.

As discussed in the following section, ADUs and junior ADUs are allowed in all residential zoning districts under Section 30.54 of the City's Zoning Ordinance. Single-family residential zoning includes four districts: A1, RR, RH, and R1. Single-family units are permitted as a matter of right in all single-family residential districts. Single-family dwellings are permitted as a matter of right in all multifamily residential districts, except for mixed-use zones in the Downtown Specific Plan area. Single-family development in the R3, R4 and RH zones has the potential to prevent the achievement of the planned densities.

Multifamily residential zoning includes the R2, R3, and R4 districts. Duplexes are permitted as a matter of right in the R2, R3, and R4 districts. Duplexes are also allowed in the R1 district on corner lots of a certain size, when meeting certain conditions; however, this existing standard has been superseded by current state law (SB 9), which is more permissive. Condominiums and townhouses are permitted as a matter of right in the R3 and R4 districts; they are also permitted in the RH district when conforming to the density limits through clustering. Multiple family buildings are permitted as a matter of right in R3 and R4 districts.

The City of Gilroy has also established a Neighborhood District zone. Land in the Neighborhood District may be used as specified by a Master Plan or Specific Plan adopted for each Neighborhood District area. In addition to including 15 percent of the units as affordable,

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each development must provide compatible uses such as parks, schools, and neighborhood-serving commercial facilities.

The City is including several programs in the Housing Element to further encourage a variety of housing types across the City. One of these programs includes adoption of an affordable housing policy to encourage and incentivize development of affordable housing (Program A - 12). Another program may incentivize the production of missing middle housing, by allowing ministerial approvals for triplexes and fourplexes on corner lots in R1 and R2 zones that comply with the City's objective design standards (Program A - 10). SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9, by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Additionally, the City is considering a program to incentivize micro-units (Program E - 5).

Table 64: Residential Use Table (2022)

Housing Types Permitted	A1	RR	R1	R2	R3	R4	RH	ND
Accessory Dwelling Unit ¹	--	X	X	X	X	X	X	*
Condominiums	--	--	--	--	X	X	X	*
Duplex	--	--	X ²	X	X	X	--	*
Mobile Home Park	--	--	C	C	X	X	--	*
Multi-Family Building	--	--	--	--	X	X	--	*
Residential Care Homes (> 6 Residents)	--	C	C	C	C	C	C	*
Residential Care homes (≤ 6 residents)	--	X	X	X	X	X	X	*
Single-Family Dwelling or Modular Home	X ⁴	X	X	X	X	X	X	*
Townhouse**	--	--	--	--	X	X	X	*
Emergency Shelters	C	C	C	C	C	C	C	*
Supportive and Transitional Housing ³	X	X	X	X	X	X	X	*

Source: City of Gilroy Zoning Ordinance, Section 11. 10.

Notes:

X = Unconditionally Permitted; C = Permitted only with conditional use permit granted by planning commission; -- Not permitted

* = Refer to master plan or specific plan adopted for the neighborhood district area in which the property is located.

**= Program B - 7 is included to remove reference of condominium ownership in the definition of Townhome.

1 Accessory dwelling unit(s) and/or junior accessory dwelling units may be allowed subject to compliance with the regulations prescribed in Article LIV.

2 Notwithstanding units permitted by SB 9, a duplex dwelling is permitted when all of the following conditions are met:

- (a) The duplex dwelling shall be located on a corner lot only; and
- (b) The corner lot shall have a minimum area of 8,000 square feet and be so designated for a duplex unit on a tentative and final map; and
- (c) The duplex shall not increase the overall density within any given land subdivision beyond the maximum of 7.25 dwelling units per net acre.

3 Supportive and/or transitional housing that serves more than six individuals, provides on-site services, and is licensed by the state as a group home shall only be allowed upon the granting of a conditional use permit.

4 One residential dwelling unit may be permitted on an A1-zoned parcel that has a minimum size of 20 acres or more. Subdivision of land for further development is not permitted without rezoning to another zoning district that implements the General Plan land use map.

Accessory Dwelling Units

ADUs provide additional housing opportunities for people of all ages and economic levels. The City of Gilroy permits ADUs on any residential parcel in any zoning district that permits residential or residential mixed-use development.

The City submitted its current ADU ordinance (Chapter 30.54) to the state in 2020 and worked with the state to ensure its compliance with state law at that time. The City will continue to work with the state to ensure future updates to the ADU ordinance (Program A - 15) remain in compliance when the legislature makes changes to ADU regulations (e.g., Government Code Section 65852.2).

The City is also including multiple programs to monitor, incentivize, and encourage ADU development across the City. This includes monitoring and tracking ADUs and their affordability (Program A - 6), adopting a set of pre designed plans (Program A - 7), financial incentives for ADUs restricted to lower-income households (Program A - 8), and encouraging the development of ADUs through education and marketing (Program G - 4). In addition, through Program A - 15 (ADU Ordinance Updates), the City will replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County and increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet.

Senate Bill 9

Effective January 1, 2022, SB 9 requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. The City adopted two objective design standard policies for SB 9 projects on December 13, 2021, and revised them effective April 4, 2022, following additional interpretation by the state. Consistent with state law, the adopted standards are purely objective in nature, providing information to property owners on the SB 9 process and associated standards in Gilroy. The City's SB 9 2-Unit Objective Design Standards Policy and the SB 9 Lot Split Objective Design Standards Policy both closely follow state law. The City website has readily available information regarding ADU and SB 9 applicability and standards. The City's SB 9 Policy and website will be updated under Program A - 10 noted below.

SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. The City is including Program A - 10 to provide more flexibility than SB 9 by allowing triplexes and fourplexes as an alternative design to the traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.

Emergency Shelters

An emergency shelter is housing with minimal supportive services for unhoused persons that is limited to occupancy of 180 days or less per calendar year by an unhoused person. No individual or household may be denied emergency shelter because of an inability to pay.

The City's emergency shelter requirements are currently provided in the Performance Standards section of the Zoning Ordinance (Chapter 30.41) and the Residential Use Tables in Section 30.11.10. Current City Code does not meet state law requirements (Government Code Section 65583) and will therefore be amended through Program E - 3. These zoning amendments will be processed during the same meeting in which the City is adopting the Housing Element Update. The proposed zoning amendment will modify the definition of emergency shelters to include other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care.

Currently, emergency shelters may be permitted in any zone with a conditional use permit; however, emergency shelters in the agriculture and residential zoning districts may only serve families. Through Program E - 3, the City will allow emergency shelters by-right in the City's R4 and new mixed-use zone along First Street by removing the conditional use permit requirement in those zones. Program E - 3 will also remove the reference to families and amend standards related to on-site management, waiting and intake areas, and parking based on the number of staff only.

Based on the 2022 Point-in-Time Count, an estimated 208 homeless persons are located in Gilroy. At 200 square feet per bed, 208 beds could be accommodated in facilities totaling approximately 41,600 square feet of floor area to accommodate the City's estimated unsheltered need.

The City has sufficient properties in the R4 and mixed-use zones to accommodate Gilroy's unsheltered population. The R4 zone covers just over 16 acres on 25 parcels, including five sites and 13.7 acres currently identified in the sites inventory. The R4 zone is located in the transit accessible areas of the City and is within walking distance to support services (e.g., South County Compassion Center and Saint Joseph's Family Center Food Center). The First Street Mixed-Use zone district encompasses approximately 71 acres on 87 parcels, including four sites and 3.1 acres currently identified in the sites inventory. The mixed-use zone is located along the First Street corridor, which contains a range of services. Surrounding uses and permissive development standards in the R4 and forthcoming mixed-use zone will make it feasible to develop or convert existing structures to shelter use in these two zones. In addition to the development of vacant parcels in the R4 and mixed-use zone, adaptive reuse of existing structures is another option for establishing shelter facilities without redevelopment of the properties. Low Barrier Navigation Centers

Low barrier navigation centers (LBNC) are service-enriched shelters that are focused on moving individuals into more permanent housing. LBNCs provide temporary housing while case managers connect individuals experiencing homelessness to shelter, public benefits, and health services. Under the Housing for Homeless Act (2019), local governments are required to allow LBNCs by-right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Gilroy does not currently explicitly allow LBNCs in any zone, though this would not prevent their development if an application for one were received. Per Program E - 4, the City will

amend its Zoning Ordinance pursuant to Government Code Section 65583 to allow for LBNCS by-right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Modular Homes

The permitting of modular, or manufactured, housing on foundations is subject to the same development standards as conventional single-family units, consistent with Government Code Section 65852.3. The City of Gilroy permits modular homes by right in all residential zones that permit single-family dwellings by right.

Transitional and Supportive Housing

Supportive or transitional housing that serves up to six individuals is allowed by right in all residential zones. Supportive or transitional housing that serves more than six individuals, provides on-site services, and is licensed by the state as a group home is allowed in any zone upon the granting of a conditional use permit. While the conditional use permit may be a potential constraint on the development of group homes with more than six residents, the City has added Program E - 13 which will amend its Zoning Ordinance pursuant to Government Code Section 65651 to allow supportive housing by-right in zones where multifamily and mixed uses are permitted. The City has also added Program E - 10 to evaluate and address the potential constraint regarding the permit requirements for group homes in medium- and higher-density residential zones. The City has objective standards for these homes to add certainty to the development process. As a part of Program B - 6, the City's objective standards will be reviewed and modified as necessary to ensure they are purely objective in nature.

Single-Room Occupancy Units

Single-room occupancy (SRO) residences are small, one-room units occupied by a single individual, and may either have a shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis, typically without a rental deposit, and can provide an entry point into the housing market for extremely low-income individuals, formerly unhoused, and disabled persons. SRO units are not specifically defined or included in the City's Zoning Ordinance; however, there is precedence for their allowance within the City.

The City of Gilroy has one SRO development, which opened in 2016. The 25-unit SRO project, the Gilroy Studios (26 units including a manager's unit), was added to the Sobrato Transitional Apartments, aimed at serving the unhoused population in Gilroy. This project shows that there are no demonstrated constraints on the development of SROs in the City.

Residential Development Ordinance

The Residential Development Ordinance (RDO) was first established in 1979 to monitor the amount of residential growth in the City by limiting the number of dwelling units that could be built in a 10-year period. The RDO is a potential constraint on development; however, it has been made null by provisions of SB 330 and SB 8, both effective through 2030. The RDO limitations are not currently utilized by the City and will not be included in the City's new zoning

ordinance, and thus do not pose a constraint to development. Program B - 1 requires the removal of the RDO as a part of the comprehensive zoning update.

Affordable Housing Policy

The City does not have an inclusionary policy in effect for the whole City. Although the City currently has an inclusionary housing requirement for developments in its Neighborhood District areas, the policy is limited to property with a Neighborhood District land use designation. The Neighborhood District Policy requires developments to construct a minimum of 15 percent of its units at affordable prices. Incentives for constructing affordable housing in the Neighborhood Districts include density bonuses, reduction in City standards (including zero-lot line developments, clustered housing on smaller lots, and smaller unit sizes), and reduction in road widths. All affordable units must be developed on-site and there is no option for an in-lieu fee. The lack of an in-lieu fee is a constraint to development and does not comply with Government Code Section 65850(g). Program A - 5 is included to revise the Neighborhood District Policy to ensure it is fully compliant with state law.

Similarly, though the Residential Development Ordinance (RDO) growth limits are no longer in effect due to state law, the RDO Exemption Policy was an effective tool for incentivizing affordable restrictions in a development. Portions of the RDO Exemption Policy were set up similarly to an inclusionary housing ordinance, by including resale controls and rental price controls for a minimum of 55 or 30 years, respectively, and specifying a minimum percentage of units for different affordability categories, as follows:

- At least 40% of units affordable to households below 60% of the AMI
- At least 15% of units affordable to households between 60% and 80% of the AMI
- At least 15% of units affordable to households between 80% and 100% of the AMI
- No more than 30% of the units affordable to households between 100% and 120% of the AMI

Both the Neighborhood District Policy and the RDO affordability standards can be used as a benchmark for an affordable housing policy adopted by the City (Program A - 11). The City also understands that inclusionary housing often raises the cost of development by mandating a price subsidy. An inclusionary housing policy is a potential constraint on development.

Urban Growth Boundary and Urban Service Area

Per the City's General Plan, "The Urban Growth Boundary (UGB) applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. The UGB indicates the extent and direction of the City's future urban expansion and capital improvements planning. Lands outside the UGB are to be preserved for rural and agricultural uses."

In 2016, voters passed Measure H, resulting in the UGB. The intent of the UGB is to protect agriculture and open space in the surrounding areas outside of the UGB. Urban development is not allowed outside of the UGB; only uses allowed in the open space designation per the

General Plan are allowed. Until December 31, 2040, lands outside the UGB can only be redesignated by a vote of the people, except for the following exceptions in which the City Council determines that doing so is necessary to comply with state law regarding the provision of housing for all segments of the community and makes each of the following findings based on substantial evidence, per the General Plan:

- That the land proposed to be brought within the UGB and/or redesignated is immediately adjacent to (i) the existing UGB; and (ii) available water and sewer connections; and
- That the proposed development will consist primarily of low- and very low-income housing pursuant to the Housing Element;
- That there is no existing vacant or undeveloped residentially designated land within the UGB to accommodate the proposed development and it is not feasible to accommodate the proposed development by redesignating lands within the UGB for low- and very low-income housing; and
- That the proposed development is necessary to comply with state law requirements for the provision of low- and very low-income housing and the area of land within the proposed development will not exceed the minimum area necessary to comply with state law.

An analysis by the City attorney at the time of the vote estimated that this would yield a reduction of 2,929 potential units compared to the City's previous General Plan and 4,344 units to the draft General Plan update at the time.³⁵

The City also has an Urban Service Area (USA). The USA is the land to which the City is committed to providing basic infrastructure and services for urban development. The USA is generally coterminous with the UGB. The City accepts applications for USA modifications in the month of July only. The USA is reviewed and amended by the Local Agency Formation (LAFCO) if desired by the City. At the time of the drafting of this document, the City is currently waiting for LAFCO's decision on an USA amendment application for property north of Gilroy. The City also received an applicant request to amend the USA boundary south of Gilroy. These applications are a good indication of developer interest in Gilroy. The USA acts as a potential constraint to development within City boundaries, which has more permissive development standards than the unincorporated County. Despite this potential constraint, the City has capacity for new housing within the USA and UGB, and has increased residential densities in the Gilroy 2040 General Plan to accommodate any capacity lost under Measure H. Furthermore, the UGB does not restrict the number or timing of permits within the USA or UGB.

³⁵City Attorney's Impartial Analysis of Measure H. <https://sccvote.sccgov.org/sites/g/files/exjcpb1106/files/E110%20-%20Measure%20H.pdf>

Development Review and Permitting Procedures

The efficiency and timing of a jurisdiction's processes for review and approval of residential development has a significant impact on the amount and pace of housing construction. The procedures for development review and permitting in the City of Gilroy are described below.

Permit Processing

The requirements of the permit processing procedure have the potential to act as a constraint to the development of housing. The time and uncertainty of the review and revision cycle can contribute significantly to the overall cost of the project, ability to obtain and maintain funding, and the cost of each dwelling unit. Certainty and consistency in permit processing procedures and reasonable processing times are important to ensure that the developmental review and approval process does not act as a constraint to development by adding excessive costs or discouraging housing development.

In 2020, the City awarded a contract to Tyler Technologies for the purchase and implementation of a Land Management System. The Land Management System helps to manage land development applications, special event permits, code enforcement cases, and fire prevention/pre-treatment/hazardous materials management. The City began configuring the system in 2021 and intends to "go live" with the public by the end of 2023. This Land Management System will modernize the City's application processes by allowing online application submittals and coordinated digital plan review. The system will automate many steps in the existing permitting process and help mitigate potential constraints caused by a lengthy permitting process. Applicants will be able to check the status of their permit online and staff will have greater control over the workflow.

Development Community Stakeholder Outreach

The City evaluates its permitting and processing procedures biannually. It consults builders and other parties engaged in housing development activities to identify concerns and potential constraints in the permit processing procedure. The City will continue to hold meetings to maintain a dialogue with the development community. Topics discussed at previous roundtable meetings have included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan. Meetings were held virtually in 2020 and 2021, and will be held in person or virtually in the future, to accommodate a wide variety of participants.

Zoning Ordinance Streamlining

In 2021, the City began a comprehensive update of the City's Zoning Ordinance to ensure that it is compliant with the 2040 General Plan. Updates will include changes to help streamline the permit process, including but not limited to creating an administrative use permit process, as currently all use permits require a public hearing before the Planning Commission. City staff is also recommending a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential additions). Staff will also be recommending streamlined processing for planned development projects that do not require

a zoning amendment or General Plan amendment. Program B - 5 includes the above changes to streamline the permitting process.

Planning Permit Processing Procedure

The typical planning permit process follows the steps below.

1. Optional Pre-Application Submittal Meeting
2. Application Submittal
3. Input from Other Departments
4. Status Letter to Applicant
5. Plan Revision, as needed (if yes, return to Step 2)
6. Planning Staff Analysis
7. Project Decision, including conditions of approval if applicable

The project decision may be appealed, which would result in project review by either the Planning Commission or City Council, depending on the permit.

Administrative versus Discretionary Planning Permits

As discussed previously, most single-family residential projects can be approved ministerially. Single-family hillside homes and multifamily residential projects that comply with objective development and design standards are approved through an administrative planning staff review process, without the need for public hearings, unless another entitlement tied to the project would require a public hearing.

However, if an applicant wants to change the zoning or land use designation of a particular property, the project will require review and approval by the Planning Commission and City Council, respectively, at separate public hearings. Similarly, if an applicant wants to request flexible development standards through the Planned Development process, the application currently requires public hearings before the Commission and Council. Under Program B-5, the Zoning Ordinance update will include a recommendation by staff to streamline the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council. This streamlined process would reduce the review time by approximately two months.

Permit Processing Time

The processing time needed to obtain development permits and required approvals can act as a constraint to development and contribute to the high cost of housing. Permit processing times are partially dependent on the number of staff available to review projects. When staffing levels drop due to attrition (e.g., voluntary termination) or cutbacks (e.g., layoffs), permit processing times increase. In 2017, the City hired Management Partners to complete an organizational review of the Community Development Department, including

recommended staffing levels. Many of the report's recommendations, such as over-the-counter plan checks, were implemented to reduce permit processing times. The report also recommends that the City reevaluate staffing levels on a regular basis to determine when additional staff resources are needed to meet service demand.

The permit processing times for various permits are shown in Table 65. The level of project review depends on the type of project. Most single-family projects require only a zoning clearance from the Planning Department as part of the ministerial building permit process. Single-family residential hillside projects can be approved by planning staff through an administrative architecture and site review permit. Similarly, most multifamily (no subdivision map), commercial, industrial, and professional office projects can be approved administratively. These staff-level discretionary planning projects typically take three to six months (depending on application completeness) to obtain planning entitlements, while applications for building permits take another three to four months. Projects that require a tentative subdivision map require Planning Commission review and City Council approval. The subdivision review and approval process typically takes approximately one year to complete, depending on the required California Environmental Quality Act (CEQA) documentation. Once final maps are recorded, building permit applications may be filed, which typically takes another three to four months for approval.

Table 65: Permit Processing Time (2022)

Permit Type	Length of Approval	Approval Body
Building Permit	3-4 months*	Issued by Building and Safety Division
Conditional Use Permit	3-4 months	Planning Commission
Variance	3-4 months	Planning Commission
Zone Change / Zoning Amendment	6-12 months	City Council
General Plan Amendment	6-12 months	City Council
Architecture and Site Review	3-6 months	Community Development Director (or designee)
Planned Unit Development	6-9 months	City Council
Tentative Tract Map	6-9 months	City Council
Negative Declaration	6-9 months	Same as project approval body
Environmental Impact Report	12 months	Same as project approval body
Final Subdivision Map	2-4 months	City Council
Parcel Map	1-2 months	City Council

Source: City of Gilroy, 2022

*Pursuant to AB 2234, must determine whether a post-entitlement phase permit application is complete within 15 business days of submittal. Furthermore, the City must approve a post-entitlement phase permit application or return a full set of written

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comments to the applicant: (1) within 30 business days of the application being deemed complete if the housing development project has 25 or fewer units; or (2) within 60 business days if the project has more than 25 units, unless otherwise exempted by law.

The Santa Clara County Planning Collaborative collected data through a survey to provide a regional comparison of permit processing times for jurisdictions across the County. Table 66 displays the permit processing time in months for various types of residential permits. Gilroy has similar or slightly quicker processing times, compared to other County jurisdictions for most permits. For example, the City has a shorter processing time on discretionary permits that go to City Council (5–6 months) than all jurisdictions except two.

Table 66: Permit Processing Time, Months, Regional Comparison (2021-2022)

Jurisdiction	ADU Process	Ministerial By-Right	Discretionary By-Right	Discretionary (Hearing Officer if Applicable)	Discretionary (Planning Commission)	Discretionary (City Council)
Gilroy	1 - 2	1 - 2	2 - 4*	N/A	4 - 5	5 - 6
Campbell	1	1	3	N/A	5	8
Cupertino	1 - 3	1 - 6	2 - 4	2 - 4	3 - 6	6 - 12
Los Altos Hills	1 - 2	0.5 - 2	2 - 3	3 - 4	4 - 6	5 - 8
Los Gatos	N/A	1 - 2	1 - 2	2 - 4	4 - 6	6 - 12
Milpitas	1 - 3	1 - 3	2 - 4	3 - 4	4 - 6	6 - 12
Monte Sereno	0.75	0.75	1	1 - 2	1 - 2	1 - 2
Morgan Hill	1 - 2	1 - 2	2 - 3**	2 - 3	4 - 6	4 - 6
Mountain View	3 - 5	4 - 6	2 - 3	6 - 18**	N/A	12 - 24
San Jose	2	1 - 3	7	7	7 - 11	5 - 12
Santa Clara	0 - 1	0 - 1	0 - 3	4 - 9	6 - 9	6 - 12
Saratoga	1	1 - 2	2 - 3	N/A	4 - 6	6 - 12
Sunnyvale	1 - 3	1 - 3	3 - 6	6 - 9	9 - 18	9 - 18
Unincorporated County	4 - 6	6 - 8	9 - 12	12 - 15	15 - 18	15 - 18

Source: Cities Association of Santa Clara County, Planning Collaborative. 2022.

*Gilroy does not have "discretionary by-right" permits This timeline represents "Discretionary (Staff)". This timeline also depends on level of CEQA review.

**Entitlements only

Under Program B - 5 the City will consider streamlining the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council. This should reduce the permit processing time by approximately two months.

Objective Design Standards Policy

In October 2021, the City of Gilroy adopted the Mixed-use Residential and Multi-Family Residential Objective Design Standards Policy. The objective design standards were created to ensure the City's compliance with the Housing Accountability Act. The objective design standards apply to residential projects that are multifamily or mixed-use. Consistent with state law, the standards are purely objective in nature. The objective design standards are also intended to increase consistency in decision making, minimize applicant delays, better utilize limited staff resources, and promote good design principles that help ensure that Gilroy is an attractive place to live and visit.

Program A - 10 will incentivize the production of middle-income housing by allowing ministerial approval of triplexes and quadplexes, on corner lots in the R1 and R2 zones, that meet objective design standards.

Planning, Building, and Development Impact Fees

Housing developments are typically subject to three types of fees: planning permit fees, building permit fees, and development impact fees. The fees are charged by the City and other agencies to cover administrative processing costs associated with development and help ensure the provision of adequate services.

Fees vary based on the type of application necessary for project approvals. The processing fees are typically recouped through the rent or sales price, so excessive fees may ultimately affect the affordability of housing. It is best practice to periodically conduct user fee studies to ensure the City is recouping the cost of providing services in areas for which fees apply. In May 2022, the City completed a Comprehensive User Fee Study to update the City's user fees schedule, which had been last updated and adopted in 2014. City staff advertised the proposed fee increases to the City's list of development professionals, including local builders and contractors. Following community meetings and public hearings with the City Council, a new fee schedule was adopted, effective August 1, 2022. There was no public opposition to the proposed fees, which may be an indication that the fees remain reasonable. The most current fee schedule is available on the City's website. Planning related fees for the City of Gilroy are shown in Table 67.

Table 67: Planning Related Fees (August 2022)

Applications	Fee
Annexation	\$19,632 + actual attorney fees
Architectural Site Review – Residential	
<i>New Construction</i>	\$8,294/first lot + \$592/additional flat land tract plan + \$1,203/additional hillside lot
<i>New Hillside Lot - SFD</i>	\$4,532
<i>Additions</i>	\$2,648

Applications	Fee
Development Agreement	\$19,081 minimum deposit (hourly rate invoiced against initial deposit, plus \$10,000 deposit for attorney fee)
Environmental	
<i>Categorical Exemption</i>	\$536.00
<i>Initial Study/ND/MND, non-complex project (Staff Review)</i>	\$12,113.17 (minimum)
<i>Environmental Impact Report (staff review)</i>	\$23,739.79 (minimum)
<i>EIR/MND/Initial Study (Consultant Contract)</i>	Actual contract cost plus 15% of contract cost + 15% staff review + 10% contingency
General Plan Map Amendment	\$15,604/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs
Planned Unit Development	\$16,203
Tentative Parcel Map	\$10,253 (up to 4 lots), plus publishing
Tentative Tract Map	\$19,036/(5-12 lots) + \$302/additional flat land lot + \$877/additional hillside lot, plus publishing costs
Urban Service Area Extension	\$29,188/first 10 acres + \$423/each additional 10 acres + publishing ¹ + LAFCO fees
Variance	\$5,470, plus attorney fees and publishing costs
Zoning Map Amendment	\$11,884/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs

Source: City of Gilroy. Effective August 1, 2022. (<https://www.cityofgilroy.org/DocumentCenter/View/12973/2022--Comprehensive-User-Fee-Schedule-Effective-August-1-2022>)

1. For those projects involving multiple public hearing applications, the publication costs will be reduced to a single charge when it is determined, and reasonably possible, that the public-hearing applications can be processed together.

The City of Gilroy Public Works Department provides a fee schedule for development impact fees. Impact fees are updated each fiscal year. The 2022 impact fee schedule, which runs from July 1, 2022, to June 30, 2023, was updated to reflect the fees adopted as part of the 2022 Comprehensive User Fee Study discussed above. Development impact fees add to the cost of residential development; however, they can be a cost-effective mechanism for financing the new infrastructure (e.g., water, sewer, roads) required to support new development. The fees allow for the consolidation of infrastructure projects when it is more cost-effective to do so and, by law, must be linked to the actual impact of the specific project.

The City of Gilroy imposes a number of development impact fees, including for public facilities, sewer development, storm development, traffic, and water development. Typically, fees per unit for high-density residential are lower than fees per unit for low-density residential. Development fees for the City of Gilroy are shown in Table 68.

In 2022, the development impact fee was \$15.82 per square foot for ADUs that are greater than 750 square feet. Thus, the maximum impact fee for a 1,000-square-foot ADU would be \$15,820. In 2022, ADU costs range from approximately \$50,000 (conversion of habitable, already-finished space) to \$120,000 (new construction). In this case, the impact fee represents 13 percent (\$120,000) to 31 percent (\$50,000) of the total cost of development. Comparatively,

Gilroy's impact fee is 34 percent less than the City of Morgan Hill, which charges \$21,209 for the same size (1,000 square foot) detached ADU.³⁶

The impact fees for ADUs in Gilroy are calculated proportionately in relation to the ADU square footage and the square footage of the primary dwelling unit; however the fees may still create a constraint on ADU production. The City will review ADU impact fees as a potential constraint for affordable housing through Program A - 8.

Table 68: Development Impact Fees (2022)

Fee Type	Fee
Public Facilities Impact Fees	
Residential – Low Density	\$22,617/unit
Residential – High Density	\$19,028/unit
Sewer Development Impact Fees	
Residential – Low Density	\$13,262/unit
Residential – High Density	\$7,176/unit
Storm Development Impact Fees	
Residential – Low Density	\$598/acre
Residential – High Density	\$940/acre
Traffic Impact Fees	
Residential – Low Density	\$13,012/unit
Residential – High Density	\$10,548/unit
Water Development Impact Fees	
Residential – Low Density	\$4,556/unit
Residential – High Density	\$1,843/unit
ADUs	ADU impact fees are not assessed for the first 750 square feet. Any floor area above 750 square feet will be assessed an impact fee of \$15.82/square foot

Source: City of Gilroy. Fees to Build Effective July 1, 2022.

In late 2021/early 2022, the Santa Clara County Planning Collaborative collected data through a countywide survey to provide a regional comparison of fees for different types of development. Total fees per unit for single-family, small multifamily, and large multifamily collected at that time are shown in Table 69. Generally, Gilroy's fees are comparable to the region. For single-family fees, Gilroy was the sixth least expensive of the thirteen jurisdictions with listed fees. For small multifamily units, Gilroy was seventh of the twelve listed fees, and for large multifamily Gilroy was eighth of twelve listed fees.

³⁶ <https://www.morganhill.ca.gov/DocumentCenter/View/42497/Detached-ADU-checklist-for-Morgan-Hill---FINAL-with-Impact-Fees?bidId=>

Table 70 displays a regional comparison of fees as a percentage of total development costs. At the time of comparison, Gilroy's single-family fees (1.5 percent of total development) rank sixth least expensive out of fourteen jurisdictions listed. For small multifamily fees, Gilroy ranks seventh out of twelve jurisdictions listed (5.3 percent), and for large multifamily fees, Gilroy is eighth of the twelve jurisdictions listed (5.6 percent).

Table 69: Total Fees per Unit, Regional Comparison (2021-2022)

Jurisdiction	Single-Family	Small Multifamily	Large Multifamily
Gilroy	\$69,219	\$40,195	\$39,135
Campbell	\$72,556	\$20,599	\$18,541
Cupertino	\$136,596	\$77,770	\$73,959
Los Altos Hills	\$146,631	N/A	N/A
Los Gatos	\$32,458	\$5,764	\$3,269
Milpitas	\$77,198	\$74,326	\$59,740
Monte Sereno	\$33,445	\$4,815	\$4,156
Morgan Hill	\$55,903	\$41,374	\$36,396
Mountain View	\$90,423	\$69,497	\$82,591
San Jose	\$9,919	\$23,410	\$23,410
Santa Clara	\$72,034	\$7,299	\$3,048
Saratoga	\$64,272	\$17,063	\$15,391
Sunnyvale	\$133,389	\$126,673	\$98,292

Source: Santa Clara County Planning Collaborative. 2022.

Table 70: Fees as Percentage of Total Development Costs, Regional Comparison (2021-2022)

Jurisdiction	Single-Family	Small Multifamily	Large Multifamily
Gilroy	1.5%	5.3%	5.6%
Campbell	2.6%	2.7%	2.6%
Cupertino	2.9%	10.3%	10.5%
Los Altos Hills	3.1%	N/A	N/A
Los Gatos	1.2%	0.8%	0.5%
Milpitas	2.8%	9.8%	8.5%
Monte Sereno	0.7%	0.6%	0.6%
Morgan Hill	2.0%	5.5%	5.2%
Mountain View	3.3%	9.2%	11.8%
San Jose	0.4%	3.1%	3.3%
Santa Clara	2.6%	1.0%	0.4%
Saratoga	1.4%	2.3%	2.2%
Sunnyvale	4.8%	16.8%	14.0%
Unincorporated County	0.9%	N/A	N/A

Source: Santa Clara County Planning Collaborative. 2022.

On average, Gilroy's fees are comparable to surrounding jurisdictions in Santa Clara County. Fees may represent a barrier to the construction of housing as they increase the minimum cost of development for a dwelling unit and may be passed onto the purchaser or renter. However, the City's fees are not excessive and do not constitute unreasonable constraints on the production of housing, as the City has seen robust housing production during the 5th RHNA Cycle.

School Fees

In addition to the costs above, the Gilroy Unified School District charges development fees. The entirety of Gilroy is served by the Gilroy Unified School District. As of 2018, the residential development fees for the school district were \$3.79 per square foot.³⁷ The City does not have control over these fees, but the fees have not constrained the development of housing in recent years.

Transparency of Development Standards

The City of Gilroy provides its development standards on the City website. The Gilroy City Code, General Plan, permit and development fees, affordability requirements, and zoning maps can all be accessed on the City's website. This includes the most recent Comprehensive User Fee Study. City staff are available to assist applicants or interested parties that do not have internet access. The City is in compliance with requirements set forth in AB 1483.

Under Program B - 4 (Public Fees, Standards, and Plans Online) and pursuant to Assembly Bill (AB) 1483, the City will compile all development standards, plans, fees, and nexus studies in an easily accessible online location (also see Program B - 8).

SB 35 Approval Procedure

SB 35 (2017) requires a Streamlined Ministerial Approval process for developments in jurisdictions that have not made sufficient progress towards their Regional Housing Needs Allocation. Program B - 3 establishes and implements expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330.

As of August 2022, the City of Gilroy has not received an SB 35 application. If the City were to receive an SB 35 application, it would follow state law procedure. The following permitting procedure that the City will follow is from the Streamlined Ministerial Approval process guidelines outlined by HCD.

After receiving a notice of intent from the applicant intending to submit an application for a Streamlined Ministerial Approval process, the following steps must occur:

³⁷ Gilroy Unified School District. Developer Fee Justification Study. 2018.
<https://resources.finalsite.net/images/v1529100379/gusdk12caus/qszb2awtcdnj2lpzxcc8/DeveloperFeeJustificationStudy.pdf>.

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1. The City will complete the tribal consultation process outlined in Government Code Section 65913.4(b) prior to accepting an application for a Streamlined Ministerial Approval process.
2. Once the tribal consultation process is complete, the City will begin processing the submitted application for a Streamlined Ministerial Approval process.
3. The City will perform a determination of consistency with regard to objective zoning, subdivision, and design review standards.
4. The City will perform a determination of consistency with density requirements.
5. The City will complete the design review within the following timeline, following acceptance of the application in item #2 above:
 - Within 60 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units.
 - Within 90 calendar days of submittal of the application to the City if the development contains more than 150 housing units.
6. The City will determine whether the application for Streamlined Ministerial Approval complies with all applicable requirements, and will approve or deny the application, within the following timeline:
 - Within 90 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units.
 - Within 180 calendar days of submittal of the application to the City if the development contains more than 150 housing units.

Under Program B - 3 (SB 35 Permit Processing and SB 330 Compliance), the City will establish and implement expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330 and create checklists and instructions for reviewing and approving SB 35 and SB330 projects. The City will also amend the Zoning Ordinance to require that any demolished residential units located on a Sites Inventory property be replaced pursuant to Government Code Section 65915(c)(3) and Government Code Section 65583.2(g). The City will also add information regarding the expedited permit process on the City's website.

Housing for Persons with Disabilities

The US Census Bureau defines persons with disabilities as those with a long-lasting physical, mental, or emotional condition. Certain conditions affect a person's housing choices, whether it creates a need for accessibility, living spaces for caretakers, transit access, or other.

Under Program E - 10 (Development and Rehabilitation of Housing for Persons with Disabilities), the city will evaluate and revise as necessary the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.

Reasonable Accommodation Procedures

The City of Gilroy has a Reasonable Accommodation Procedure adopted in 2014 outlined in Section 30.50.23 of the Zoning Ordinance. A request for reasonable accommodation may be made by any person with a disability, their representative, or any entity when the application of a zoning law or other land use regulation, policy, or practice acts as a barrier to fair housing opportunities.

Requests for reasonable accommodation shall be reviewed by the Community Development Director or their designee if no other approval is sought. Requests for reasonable accommodation submitted for concurrent review with another discretionary land use application shall be reviewed by the authority responsible for reviewing the discretionary land use application, in conjunction with that application. The written decision to approve or deny a request for reasonable accommodation shall be based on consideration of the following factors:

- Whether the housing will be used by a disabled individual.
- Whether the request for reasonable accommodation is necessary to make specific housing available to an individual with a disability.
- Potential impact on surrounding uses.
- Physical attributes of the property and structures.
- Alternative accommodations which may provide an equivalent level of benefit.
- Whether the requested accommodation would impose an undue financial or administrative burden on the City.
- Whether the requested accommodation would require a fundamental alteration of a City program.

The reviewer must make a written determination within 45 days of receipt of a complete application and either approve, approve with modifications, or deny a request for reasonable accommodation.

The City provides Community Development Block Grant (CDBG) funding to Rebuilding Together Silicon Valley to help provide accessibility improvements to very low-income households.

The City supports equal access to housing for persons with disabilities and will evaluate its reasonable accommodation standards and procedures as a potential constraint to accommodating persons with disabilities (Program E - 10).

Definition of Family

The Gilroy City Code defines family as “one (1) or more persons, occupying premises and living together as a single housekeeping unit, as distinguished from a group occupying a hotel, club, fraternity, or sorority.” This definition is consistent with state law and does not pose a constraint on the development of housing for persons with disabilities.

Building Code

The City of Gilroy has adopted the 2022 California Building Code, adopted from the 2021 International Building Code, with local amendments. When development plans are submitted for plan check, they are reviewed by the Building and Safety Division for compliance with the California Building Code. The local amendments were adopted with recommendation by the City of Gilroy chief building official. Modifications and changes are reasonable and necessary due to local climactic, geological, or topographical conditions or are otherwise permitted by state law. Most notably, the City has incorporated electric vehicle (EV) charging requirements for new construction, roofing requirements in Wildland-Urban Interface Fire Areas, and grading requirements for erosion control. While these requirements may add to the cost of construction of residential units, they are necessary to help mitigate the risk of damage by wildfire and contribute to sustainability goals.

Local amendments to the building code can be found in Gilroy City Code Chapter 6, Article II, Section 6.7. Amendments are minor changes, and no modifications pose constraints to development.

Under Program B - 9 (Building Department webpage), the City will update the Building Department webpage to include information required pursuant to AB 2234, including but not limited to specific information required for an application to be considered complete; example of a complete, approved application; and example of a complete set of post-entitlement phase permits for accessory dwelling units, duplexes, multifamily projects, mixed-use projects, and townhomes. This should help reduce applicant time and cost and increase certainty in the building permit process.

Code Enforcement

The City's Code Enforcement staff responds to potential violations of the Gilroy City Code. There are two code enforcement officers. Code enforcement is reactive and officers respond to complaints reported by residents. Common violations include abandoned or dangerous buildings, blighted property and maintenance concerns, unsafe living conditions, construction without land use/zoning permits, and illegal tree removal. The City provides CDBG funding to Rebuilding Together Silicon Valley to operate and expand the Home Repair and Accessibility Modification program in Gilroy.

On- and Off-Site Improvement Requirements

The City requires on- and off-site improvements for new developments, which are intended to meet health and safety requirements of the community. Residential developers are responsible for constructing road, water, sewer, and storm drainage improvements on new housing sites. The City's General Guidelines for development were last updated in August 2014. They include local street rights-of-way and curb-to-curb widths, sanitary sewer and storm drainage lines, street lighting, erosion control, landscaping, and easements.

Notably, all streets must be designed in accordance with accepted engineering principles and conform to the design standards, the standard details, and the complete streets resolution

approved by City Council. All exceptions to the General Guidelines must be approved by the City Engineer prior to the approval of a tentative map. These requirements are similar to those of other jurisdictions and are not considered an unreasonable constraint on development. Although requirements for on- and off- site improvements do add to the overall cost of the development, they are necessary to ensure provision of vital infrastructure services to residents. Based on the recent entitled and pending housing types (see Table 79), the City's site improvement requirements do not create an undue constraint on development.

The following example highlights the requirements for a 29-unit single-family redevelopment project, approved in 2020, which was previously an office park.

- **Street Trees:** The applicant shall plant street trees along the project frontage to match the City of Gilroy's Street Tree Plan in effect at the time of construction. The street tree plans shall be per City Standard Drawings and will include City Standard tree grates.
- **Tree Grates:** The applicant shall install City Standard Tree Grates as specified in the approved plans. Tree grates shall be 4'x6', model OT-T24 by Urban Accessories, and shall be black power coated. The tree grates shall be shown on the improvement plans to be located at the back of curb to the approval of the City Engineer and shall be installed with the street trees prior to the first occupancy.
- **Street Markings:** The applicant shall install necessary street markings of a material and design approved by the City Engineer and replace any that are damaged during construction. These include but are not limited to all pavement markings, painted curbs, and handicap markings. All permanent pavement markings shall be thermoplastic and comply with Caltrans Standards. Color and location of painted curbs shall be shown on the plans and are subject to approval by the City Engineer. Any existing painted curb or pavement markings no longer required shall be removed by grinding if thermoplastic, or sand blasting if in paint.
- **Sidewalk:** The applicant shall replace to existing City standards all sidewalk surrounding the project site. The actual amount of sidewalk to be replaced shall be determined by the Public Works Construction Inspector in the field prior to construction. Sidewalk replacement shall be constructed per the City Standard Drawings.
- **Curb Ramp(s):** The applicant shall construct 4 curb ramps in accordance with the latest Caltrans State Standard Drawing at the Princevalle & W 6th St intersection. The actual ramp "Case" shall be identified on the plans and shall be to the approval of the City Engineer.
- **Curb and Gutter:** At the time of the A&S application was filed, a minimum of 450-ft linear feet of curb and gutter will need to be replaced. This figure is provided only to determine minimum bonding requirements for the encroachment permit. The actual amount of curb and gutter to be replaced shall be determined by the Public Works Construction Inspector in the field prior to construction. New curb and gutter shall be constructed per the City Standard Drawing STR-12.

- **Driveway Approaches:** The applicant shall install driveway approaches as shown on the approved plans. The new residential driveway approaches shall be constructed per the City Standard Drawing.
- **Driveway Removal:** The applicant is to remove the existing driveway approaches located along the project frontage as shown on the approved A&S application plans, and replace them with sidewalk, curb, and gutter per the City Standard Drawing.
- **Sewer Lateral:** The applicant shall install as a minimum a four (4) inch City Standard sewer lateral connection from the property line to the sewer main located in the street right-of-way for each proposed lot. The installation shall be done in accordance with the City Standard Drawing SWR-6 including a 6" property line clean-out.
- **Sewer Clean-Out:** The applicant shall install a sewer lateral clean-out at the property line for each proposed lot in accordance with the City Standard Drawing SWR-6.
- **Sanitary Sewer Manholes:** The applicant shall install standard sanitary sewer manholes, per approved plans and in accordance with the City Standard Drawing.
- **Storm Water Catch Basins:** The applicant shall install standard storm water catch basins, in accordance with the City Standard Drawing.
- **Street Lights:** The applicant shall provide and install standard aluminum electrolier street lights per City Standard Drawing EL-1 to EL-5. The applicant is responsible for all PG&E service fees and hook-up charges. Any new service point connection required to power the new lights shall be shown on the construction drawings along with the conduit, pull boxes and other items necessary to install the street lights. An Isometric lighting level needs to be provided by the designer/contractor. A separate light study may be required by the City Engineer. The new street light shall have 32' mounting height per Standard Drawing EL-3, with mounting arm length per Standard Drawing EL-4, the Fixture shall be Leotek GC1 or GC2 series in an approved configuration per detail EL-2 or approved equal. The arm shall be installed at the location as shown on the approved plans.
- **Fire Hydrants:** The applicant shall install new fire hydrants along the project frontage. Spacing shall meet City and Fire Marshall requirements.

Based on the recent proposals submitted and entitled citywide for a range of housing types, the City's site improvement requirements do not create an undue constraint on development.

Nongovernmental Constraints

Requests to Develop Below the Anticipated Density

In some regions, market factors such as the demand for single-family housing or larger high-end condominiums can lead to properties being developed below the maximum allowable density. Requests to develop housing at densities below those anticipated in the Housing Element act as a potential constraint to housing development. However, the City does not

generally receive any requests to develop below densities anticipated. For example, one of the low-income sites identified in the 2015-2023 Housing Element (LI-4) developed above the anticipated density identified in the 2015-2023 RHNA sites inventory. The site was projected for 78 low-income units and was constructed with 120 low-income units for a surplus of 42 units.

The 11 entitlement projects noted in Table 76 had densities between 13.4 and 40.3 du/ac with an average yield percentage of approximately 111 percent. Out of this total, 8 entitlement projects analyzed developed above the anticipated density (72 percent). Entitled projects largely exceed the density assumptions made in the 5th RHNA cycle. For example, in the Downtown Specific Plan Area (excluding the Cannery District), the R4 zone, and the Neighborhood District, the average base densities of actual projects were all higher than assumed.

Projects developed at a lower density than previously assumed were primarily located in the R3 zone. Sites in this district are typically smaller and under separate ownership, and therefore more constrained. In addition, projects in the R3 zone are typically infill or small additions to existing structures, which would characteristically yield a lower density.

Consistent with the 2040 General Plan, the City will amend the Zoning Ordinance to increase the maximum density in the R3 zone and remove the maximum density in the R4 zone. This will help ensure adequate baseline capacity to meet RHNA targets and achieve Housing Element compliance (B - 2).

Land Costs

Land costs have a demonstrable influence on the cost and availability of affordable housing. Land prices are determined by numerous factors, most important of which are land availability and permitted development densities. As land becomes less available, the price of land increases. The scarcity of adequate housing opportunities in northern Santa Clara County have influenced upward pressure on land and housing costs in Gilroy.

The price of land varies depending on a number of factors, including size, location, the number of units allowed on the property, and access to utilities. Vacant land sales (in early 2022) are shown by cost and acreage in Table 71. The price ranges from \$1.80 to \$9.69 per square foot, with an average price of \$6.75 per square foot (or \$293,843 per acre). The City has little control over land costs, which can pose a constraint to development.

Table 71: 2022 Vacant Lot Sales in Gilroy

Acreage	Land Cost	Cost per sq. ft.	Date Sold
7.34	\$3 million	\$9.38	2/28/2022
1.26	\$335,000	\$6.10	2/18/2022
13.11	\$1.03 million	\$1.80	2/15/2022
7.67	\$900,000	\$2.69	2/11/2022
1.14	\$400,000	\$8.06	2/1/2022
2.38	\$985,000	\$9.50	1/5/2022
1.09	\$460,000	\$9.69	1/4/2022

Source: Zillow.com, 2022

Construction Costs

Construction costs include the cost of materials and labor. Materials costs include the cost of building materials (wood, cement, asphalt, roofing, pipe, glass, and other interior materials), which vary depending on the type of housing being constructed and amenities provided. In general, construction costs can be lowered by increasing the number of units in a development, until the scale of the project requires a different construction type that has a lower cost per square foot.

One indicator of construction costs is Building Valuation Data, compiled by the International Code Council (ICC). The unit costs compiled by the ICC include structural, electrical, plumbing, and mechanical work, in addition to interior finish and normal site preparation. The data are national and do not account for regional differences, nor include the price of the land upon which the building is built. The Building Valuation Data, dated August 2021, reports the national average for development costs per square foot for apartments and single-family homes as follows:

- Residential Multifamily: \$136.73 to \$203.34 per square foot
- Residential One- and Two-Family Dwelling: \$148.33 to \$189.34 per square foot
- Residential Care/Assisted Living Facilities: \$172.87 to \$240.35 per square foot

California building costs tend to be higher than national levels. A 2020 study by the Berkeley Turner Center noted that construction costs in the state are highest in the Bay Area and reached more than \$380 per square foot in 2018.³⁸

³⁸ Turner Center for Housing Innovation. The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California. March 2020. https://turnercenter.berkeley.edu/wp-content/uploads/2020/08/Hard_Construction_Costs_March_2020.pdf

Financing Availability

Interest rates affect homeownership opportunities throughout the City. In August 2022, Freddie Mac's primary mortgage market survey listed interest rates on home loans at 5.55 percent on a 30-year fixed-loan rate. While low interest rates are expected to prolong the availability of financing, low housing inventory can create competition among potential homebuyers, especially for first-time homebuyers. The sales price of housing is typically adjusted for changes in mortgage rates. The Housing Trust of Silicon Valley administers the Santa Clara County Empower Homebuyers First Time Homebuyer Loans and HELP for Homebuyers programs.

Table 72 displays the number of loan applications received in 2020 for the purpose of purchasing a home in the San Jose-Sunnyvale-Santa Clara metropolitan statistical area, which includes the City of Gilroy. Specifically, the table provides the number of total applicants, the number of loans originated, the number of applications that were approved but not accepted by the applicant, and the number of applications denied across various types of loans.

Table 72: Disposition of Home Loans, 2020

Loan Type	Total Applicants	Originated	Approved Not Accepted	Denied	Withdrawn / Other
Conventional Purchase	24,691	15,660	644	1,942	6,445
Government Backed Purchase	1,879	986	71	138	684
Home Improvement	5,206	2,998	165	961	1,082
Refinance	41,117	21,078	1,208	5,930	12,901
Total	72,893	40,722	2,088	8,971	21,112

Source: lendingpatternslite.com, 2020

Federal and State Programs

There is limited funding available for housing assistance programs from the state and federal governments. For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 each year in CDBG funds from the US Department of Housing and Urban Development. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities.

For the 2022-2023 and 2023-2024 fiscal years, the City also allocated \$237,000 (each year) in Permanent Local Housing Allocation Fund funds for services related to homelessness, fair housing, and special needs, such as persons with disabilities.

Additional information on these funds is included in the Housing Element Accomplishments chapter.

Environmental and Infrastructure Constraints

Environmental hazards affecting housing units include geologic and seismic conditions, soil conditions, flood risk, vegetation and wildlife habitat, toxic and hazardous waste, fire hazards, noise levels, and preservation of agricultural lands. In Gilroy, seismic hazards provide the greatest threat to the built environment. Infrastructure constraints include the availability and cost of water and sewer services. The following hazards may impact future development of residential units in the City and can pose a potential constraint to housing development.

Environmental Constraints

Seismic Hazards

The topography of Santa Clara County consists of three principal geologic features: the Santa Clara Valley, the Santa Cruz Mountains, and the Diablo Range. The area is dominated by a complex system of faults associated with motion between the Pacific and North American plates. The most significant fault is the San Andreas Fault. The area is seismically active and includes other major, active strike-slip faults, including the Calaveras Fault, as well as active folding and thrust faulting. The Sargent Fault, northeast of the City of Gilroy, has significant potential to cause seismic shaking.

Soils

The soils in the Gilroy area consist of gravel, silt, and clay that are often poorly drained with flooding and deposition occurring along the major streams. Because these soils exhibit site-specific properties, site-specific studies should be completed at the project design stage to characterize the suitability and behavior of soil for specific development applications.

Flooding

The City of Gilroy area lies within two major watersheds: the Uvas Creek watershed and the Llagas Creek watershed. The City of Gilroy Flood Plain Management Ordinance was updated in 2016 to adopt regulations designed to promote public health, safety, and general welfare. The standards require all new developments in the 100-year floodplain, regardless of project size, to develop a base flood elevation in areas without a determined base flood elevation.

Vegetation and Wildlife Habitat

Vegetation and wildlife habitat within the Gilroy area include both developed and natural areas. Developed areas include urban and agricultural land. Natural communities include annual grassland, coastal oak woodland, and valley foothill riparian habitat.

The 2040 General Plan includes policies aimed at protecting sensitive communities from urban development, in-stream capital projects, and in-stream operations and maintenance. These sensitive communities include wetlands and waterways (including associated freshwater

marsh vegetation and riparian corridor habitats), serpentine rock formations that support native species, and native oak woodlands.

Toxic and Hazardous Wastes

Hazardous waste management in Gilroy includes three areas: control of production, control of disposal, and control of transportation of hazardous waste. A limited number of hazardous materials are produced in the City. Among those produced by point sources are waste oil, antifreeze, solvents, x-ray solutions, and materials associated with graphic design. Hazardous wastes associated with non-point sources include waste oil, antifreeze, and other pollutants associated with motorized vehicles. The City of Gilroy's Hazardous Materials Specialists and Pretreatment Inspectors and the County Public Health Department regularly inspect activities that store and/or use hazardous materials. Regular inspections and monitoring help ensure compliance with local, state, and federal regulations and help reduce the risks associated with the use and handling of hazardous materials and waste.

Fire Hazards

The City of Gilroy receives fire protection from the Gilroy Fire Department. The areas outside the City are under the jurisdiction of the South Santa Clara County Fire Protection District. The two jurisdictions have a mutual aid agreement that allows reciprocal aid to be provided on an as-needed basis during major emergencies. High Fire Hazard (or "Mutual Threat Zones") areas are designated by the district. These include much of the hillsides on the western boundary of the City. The City of Gilroy Fire Department has in place a hazard (weed) abatement program. The City's Hillside Development Guidelines contain policies relating to fire hazards.

Noise

One of the primary noise sources in the Gilroy area is traffic on local roadways, primarily the result of tire noise on the road surface and the Union Pacific Railway line. Other typical noise sources, as in all suburban areas, include construction, barking dogs, children playing, industry, and recreational activities. Overflying aircraft are also occasionally audible in the Gilroy area. These sources are not significant compared to the noise produced by the dominant transportation sources.

The City is responsible for evaluating noise impacts as part of the review and approval process for new discretionary project proposals. Project approval may include conditions to mitigate noise levels for project occupants and nearby neighbors. There is no noise impact fee. The cost of construction, as well as maintenance of noise mitigation measures, is borne by the developer. The City of Gilroy aims to buffer residential areas from sources of noise pollution through appropriate zoning wherever possible (e.g., locating commercial uses between residential uses and light industrial uses).

Agricultural Lands

To protect and preserve agricultural land, the City of Gilroy adopted an Agricultural Mitigation Policy. The policy was adopted in 2004 and revised in 2016. CEQA requires all feasible

mitigation for significant unavoidable impacts. Upon certification of the City's General Plan EIR, the City Council established the Agricultural Mitigation Policy to implement the mitigation measures identified in the 2020 General Plan EIR and 2040 General Plan EIR for loss of agricultural lands. Therefore, significant agricultural impacts as determined under CEQA would be subject to the City's Agricultural Mitigation Policy. The policy establishes the criteria for determining when mitigation would be required and what lands are acceptable for preservation. The policy requires mitigation for the conversion of agricultural lands to urban uses at a 1:1 replacement ratio. Mitigation may be accomplished with one of two options and the options shall include all costs to cover program administration, monitoring and management of established easements as outlined in the policy.

The policy established a preferred area for the preservation of agricultural lands. This area is located within the City's Sphere of Influence and outside the General Plan 20-year boundary, east of Highway 101 and south of Masten Avenue. At the time the map was created in 2004, this area contained the greatest concentration of "Prime" and "Statewide Important" farmland remaining in south Santa Clara County. The policy requires new developments to establish a minimum of 150 feet for an agricultural buffer adjacent to permanent agricultural and open space areas. This applies only to a few areas in the City and would aim to reduce potential conflicts between agricultural and non-agricultural uses.

The Agricultural Mitigation Policy poses a potential constraint to development, but also allows for certain exemptions from the 1:1 mitigation ratio as follows:

- Up to 100 feet in width of a permanent agricultural buffer area;
- Public facilities established in the City's General Plan or Parks Master Plan; and
- Lands dedicated for public rights-of-way that service the overall community, not just the specific development.

Infrastructure Constraints

Water

The Llagas Basin Aquifer serves as Gilroy's potable water source for most residential, municipal, industrial, and agricultural land uses. It is estimated that the municipal demand will increase to 53,000 acre-feet per year by 2040.

The City depends solely on local groundwater from wells for its water supply. Currently, there are 15 active wells that serve three water pressure zones. The City's water supply system relies on well pumping from dispersed sources to supply system pressures in areas of lower elevation during peak demand conditions. Gilroy will continue to meet its future demands through its 2020 Urban Water Management Plan.

Sewer

The City sewer collection system consists of approximately 162 miles of 3-inch through 48-inch diameter sewers. The system consists of trunk sewers that convey the collected wastewater

flows to the Wastewater Treatment Plant. The plant, operated by the South County Regional Wastewater Authority, treats the collected wastewater from the City.

During dry weather conditions, the maximum day and peak wastewater hour flows from the City are 2.8 million gallons per day (mgd) and 5.4 mgd, respectively. During wet weather conditions, the maximum day and peak wastewater hour flows from the City are 6.6 mgd and 20 mgd, respectively.

According to the City's Sanitary Sewer Master Plan, the existing system was well planned to meet the needs of existing customers. In anticipation of future growth, the City has planned and constructed sewer facilities in conjunction with new street construction. Some project improvements in the master plan will mitigate flows caused by infiltration and inflows that occur during significant storm events.

Energy Conservation Energy Conservation State law (Government Code §65583(a)(7)) requires a Housing Element to provide an analysis of opportunities for energy conservation in residential development. Not only do such energy conservation measures reduce consumption of non-renewable or limited resources, but they can also substantially lower housing maintenance costs.

The Bay Area Regional Energy Network (BayREN) is a coalition of the Bay Area's nine counties that partners to promote resource efficiency at the regional level, focusing on energy, water and greenhouse gas emissions reductions. BayREN offers rebates, funding, and technical assistance to help residents, property owners, business owners, and local governments improve the resource efficiency and carbon footprint of their buildings. They include additional programs and incentives for lower-income households.

Pacific Gas and Electric (PG&E) provides electrical and gas service for the City. As of January 1, 2020, the State of California began requiring solar on newly constructed low-rise residential buildings (single-family homes, duplexes, and townhouses of 3 stories or less, including ADUs) through the 2019 California Building Standards Energy Code (Title 24, Part 6). The City of Gilroy adopted and implemented the code. PG&E also provides several programs, incentives, and rebates for qualified renters and homeowners to save energy and money. The City provides links to these PG&E programs as well as listing energy-saving measures for residents on the City's website for energy conservation.

In November 2022, the City adopted the 2022 California Building Code with local amendments. On January 1, 2023, the codes became effective citywide. Among the codes, Gilroy adopted the 2022 California Green Building Standards Code with reach code amendments that further reduce greenhouse gas emissions. The reach code amendments were based on the model code amendment initiated by Silicon Valley Clean Energy and incorporated adjustments resulting from outreach and stakeholder input from the local community. The reach code amendments provide a higher percentage of charging infrastructure in new construction through a combination of Level 2 electric vehicle supply equipment (EVSE) and Low Power Level 2 Electric Vehicle (EV) Charging Receptacle with varying readiness. The reach code

amendments help reduce greenhouse gas emissions, save on future retrofit costs, and stimulate the use of electric vehicles in the Gilroy community.

In addition, in the reach code amendments, the inclusion of the long-term bicycle parking standards for multifamily buildings and long-term bicycle parking for hotels and motels will include more bicycle parking availability and promote the use of bicycles as an affordable sustainable method of transportation. The California Green Building Standards Code, with reach code amendments, help increase access to renewable energy and reduce fossil fuel consumption, greenhouse gas emissions, and our communities' carbon footprint.

The City of Gilroy participated in the Silicon Valley Clean Energy reach code grant offering, which provided \$10,000 for presenting reach codes to the City Council for consideration. Silicon Valley Clean Energy also offers incentives and rebates to residents and businesses to help advance clean, electric buildings and transportation.

In summer 2022, the City of Gilroy started a pilot program with Solar Automated Permit Processing Plus (SolarAPP+) and completed the public launch in early 2023. This online platform offers a portal that simplifies and accelerates rooftop solar photovoltaic (PV) permitting processes, allowing residential solar photovoltaic systems to be installed quicker, which helps decrease our community's nitrogen and carbon emissions footprint and provides clean energy. SolarAPP+ permits PV contractors to upload qualifying solar photovoltaic system specifications. It reviews the submission for code compliance and verifies code-compliant systems. Furthermore, SolarAPP+ increases access to renewable energy, helps reduce fossil fuel consumption, and helps reduce our communities' carbon footprint, particularly carbon dioxide (CO₂), and improves air quality.

These programs, along with smart growth strategies which the City of Gilroy is promoting and implementing as part of the Housing Element, will further local and statewide energy conservation goals.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE

HOUSING SITES AND RESOURCES

Housing Sites and Resources

Land Inventory

This section of the Housing Element addresses resources available for the development, rehabilitation, and preservation of housing in Gilroy. It provides an overview of available land resources and residential sites for future housing development and evaluates how these resources can work toward satisfying future housing need. The financial and administrative resources available to support affordable housing are also discussed.

Housing Allocation

As discussed in the Needs Chapter, California General Plan law requires that a community plan for an adequate number of sites to allow for and facilitate production of its share of the regional housing need. Each jurisdiction must identify “adequate sites” to determine whether that jurisdiction has sufficient land to accommodate its share of regional housing needs for each income level. As defined under California Government Code Section 655839(c)(1), adequate sites are those with appropriate zoning and development standards, and with services and facilities to encourage and provide for the development of a variety of housing for all income levels. As shown in Table 73, Gilroy’s RHNA for the 2023-2031 (6th Cycle) planning period is 1,773 units. Broken down by income level, the allocation is 669 very low-, 385 low-, 200 moderate-, and 519 above-moderate units.

Table 73: 2023–2031 RHNA

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA	669	385	200	519	1,773

Source: Regional Housing Needs Allocation, ABAG, 2023-2031.

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

As shown in Table 74, the pipeline projects and projected ADUs have already met and exceeded the low- and above moderate RHNA for Gilroy by 11% and 48%, respectively.

Table 74: Pipeline Projects and ADUs Progress Towards RHNA

		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
A	RHNA	669	385	200	519	1,773
B	Pipeline Projects	76	387	3	756	1,222
C	ADUs	42	42	42	14	140
D	Surplus / (Deficit) of RHNA	(551)	44	(155)	251	-
E	Percent Surplus Met by ADUs and Pipeline Projects	-	11%	-	48%	-

Target Sites Capacity – 15% No Net Loss Buffer

Changes to state law require jurisdictions to continually maintain adequate capacity in their site inventories. In the event that a site is developed below the anticipated density or at a different income level than projected in the Housing Element, the City must still have adequate sites available to accommodate the remaining balance of the RHNA. Alternatively, the City may identify new sites or rezone sites to continue to accommodate the remaining need. A buffer is not required for RHNA income categories that have been met by pipeline projects or projected ADUs. For this reason, the City is including a buffer of 15 percent above the unmet RHNA in each income category. Table 75 identifies the total target capacity based on the RHNA plus 15 percent of any unmet RHNA. As shown, the pipeline projects (Row B) and projected ADUs (Row C) are subtracted from the RHNA (Row A) to determine the unmet RHNA (Row D). The unmet RHNA of 551 very low- and 155 moderate-income units is multiplied by 15 percent (Row E). Note that because the RHNA has been met for the low- and above moderate-income categories, there is no unmet RHNA and no target buffer for these income levels. Row F sums the RHNA (Row A) and the 15 percent of the unmet RHNA (Row E) to show the total target sites capacity.

Table 75: Target Sites Capacity (15% No Net Loss Buffer of Unmet RHNA)

		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
A	RHNA	669	385	200	519	1,773
B	Pipeline Projects	76	387	3	756	1,222
C	ADUs	42	42	42	14	140
D	Unmet RHNA (A-B-C)	551	-	155	-	706
E	Target Buffer (15% of Unmet RHNA) (D*0.15)	83	-	23	-	106
F	Unmet RHNA + Target Buffer (D+E)	634	-	178	-	812

Realistic Capacity

State law requires that a jurisdiction project realistic estimates for housing capacity on its RHNA sites. The realistic capacity of sites may be calculated using recent project history, a minimum density, or other methods. As a majority of growth is expected to take the form of multifamily housing, recently constructed multifamily projects were reviewed to understand and establish historical trends for multifamily housing development in the City. The realistic capacity calculation also takes into account recent inquiries and permits for uses in zones that allow mixed-use or stand-alone commercial uses.

The Downtown Specific Plan allows 100 percent commercial in all six of its zones. Three Downtown Specific Plan districts allow 100 percent residential uses, and mixed-use residential is encouraged in all zones. Mixed use could also include mixed commercial (e.g., retail and office). Residential uses are unconditionally permitted on the second story and above in all Downtown Specific Plan zones. Any time these uses are proposed for the ground level or first floor (sidewalk level), a conditional use permit is required. This has been taken into account through both site selection and a reduction from maximum yield.

Approximately 29.9 percent of the very low-income opportunity site units and approximately 44.9 percent of the moderate-income opportunity site units are located in the City's Downtown Expansion District (20.4% and 44.9%) and First Street Corridor District (9.5% and 0%). To increase the likelihood that sufficient RHNA units are built in these two districts, the City added Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility). This Program will allow 100 percent residential projects in the Downtown Expansion District and flexibility for non-residential units in the First Street Mixed Use Corridor, should projects meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

Local Data

To understand development trends in the City, recent inquiries and permit applications were reviewed. In discussions with City staff, including one planner who has worked for the City of Gilroy for over 30 years, staff noted that inquiries coming into the City are primarily for 100 percent residential or mixed-use. Although 100 percent commercial use is allowed, City staff has not seen a demand for new 100 percent commercial projects. The exception to this is new commercial uses occupying existing commercial buildings that don't require significant upgrades. When mixed use is required, staff stated that developers typically propose a minimal amount of commercial square footage, citing concerns over the viability of commercial uses outside the downtown core. In cases where the likelihood of commercial vacancies is high, staff is generally supportive of amending the zoning to allow 100 percent residential uses.

Inquiries and submittals have included residential uses on upper stories, applications for adaptive reuse of existing historic buildings (i.e., tenant improvements), new commercial uses (e.g., new restaurant) in existing buildings, and new construction and redevelopment (e.g., adding new square footage). For example, the City is currently processing a preliminary application to add two new stories of residential uses to an existing two-story building located at 7541 Monterey Road in the City's Downtown Historic District.

Development inquiries and proposals illustrate the trend of maximizing residential and minimizing commercial uses in mixed-use zones. Additionally, as noted above Program E - 12 would allow stand-alone residential projects in the Downtown Expansion District and flexibility for nonresidential uses in the First Street Mixed-Use Corridor, should the projects meet certain criteria to provide housing for special needs groups.

Multifamily developments in the City have had success in meeting the densities allowed by the zoning ordinance. Recent projects in multifamily zones, their land uses, zones, and densities are shown in Table 76. Eight of the eleven recent projects have achieved a yield over 100 percent of the maximum density. The average of these yields is 125 percent, suggesting that most developments are able to meet the maximum density, or in the case of zones with no maximum density, a density of at least 30 dwelling units (du) per acre. For projects in zones that allow densities of up to or greater than 30 du/acre, the average density of recent projects is 33.1 du/acre. Three of these recent projects utilized density bonuses: the JEMCOR apartments, Hecker Pass apartments, and the First and Kern apartments.

The Cannery Apartments project yields a noticeably lower percentage of the maximum density than the other projects on the list. This is due to an environmental constraint and easement. Miller Slough runs through the northern part of the parcel and there was also a homeless encampment within the upper Miller Slough drainage channel which separates the Forest Park single-family development from the Cannery development. Accordingly, there is an "Easement, Joint Use and Maintenance Agreement" encumbering this development. Disregarding the Miller Slough on the northern portion of the parcel, the yield is closer to 70%.

Table 76: Example Multifamily Project Densities

Project	Land Use	Zoning	Project Density	Number of Units	Max Density	Yield Percentage
The Cannery Apartments	Cannery District DTSP	CD	21.1	104	40	53%
Cantera Commons Mixed-Use Apts	Downtown Expansion District DTSP	DED	34.5	10	N/A*	115%
Alexander Station Apts	Downtown Expansion District DTSP	DED	38.7	263	N/A*	129%
Monterey/Gilroy Gateway Apts	Gateway District DTSP	GD	40.3	75	30	134%
Kern Ave Apts	Low Density	R3	13.7	27	16	86%
Royal Way Townhomes (proposed)	Medium Density	R3	13.4	45	16	83%
Hecker Pass Apts	Medium Density	R3	26.2	100	16	164%
Gurries Duets	Medium Density	R3	17.4	4	16	109%
Gurries Townhomes	Medium Density	R3	21.1	4	16	132%
JEMCOR Apts	High Density	R4	30.8	120	30	103%
Harvest Park Apts	Neighborhood District	ND	35.2	81	30**	117%

Source: City of Gilroy.

* The DED district in the Downtown Specific Plan has no maximum density. As such, a maximum density of 30 was used to ensure suitability for low-income development per HCD guidelines.

** The ND designation has a variety of densities within the designation, and there is no one maximum density for the zone.

Table 77 shows the assumed yields for higher density zones in the City. The yields were determined based on recent multifamily trends and development standards assessed in the constraints section. Though recent projects suggest that most projects in Gilroy are achieving the maximum, or close to the maximum, density on sites, conservative yields were assumed for the purposes of RHNA projection. The simple average yield is 101 percent, and the weighted average based on the number of units is 109 percent. All of the assumed yields in Table 77 are significantly below the observed yields and averages. For example, recent multifamily projects in the DED and DHD zones have been developed at densities of 34.5, 38.7, and 40.3 du/acre. Although the DED and DHD districts do not have maximum densities, the

yield was conservatively assumed at 100 percent of 30 du/acre. The five R3 sites averaged 92 percent yield versus the assumed yield of 70 percent.

Table 77: Assumed Yields

Zone	Maximum Density	Yield	Estimated Yield Density
R3	20 du/acre	70%	14 du/acre
R4	30 du/acre	80%	24 du/acre
CD	40 du/acre	70%	28 du/acre
DED	30 du/acre*	100%	30 du/acre
DHD	30 du/acre*	100%	30 du/acre
GD	30 du/acre	80%	24 du/acre
Mixed-Use Corridor	30 du/acre	70%	21 du/acre

* The DED and DHD districts have no maximum density.

Assumed Affordability

Density

The California Government Code states that if a local government has adopted density standards consistent with the population-based criteria set by the state, then HCD must accept sites with those density standards as appropriate for accommodating the jurisdiction's share of lower-income units. For Gilroy, this density is 30 du/acre. The selected RHNA sites within the R4 zone, mixed-use corridor on First Street, and CD, DED, DHD, and GD districts in the Downtown Specific Plan meet the requirements of Government Code Section 65583.2(c)(3)(B). Table 78 shows the income levels, densities, and their implementing zones in Gilroy.

Moderate-income housing can be accommodated through medium- and higher-density zones, with maximum densities ranging from 15 to 30+ du/ac. These densities support a variety of multifamily housing typologies, including townhomes and garden-style apartments, which may be affordable to moderate-income households. Above moderate-income housing needs may be met through lower-density, single-family typologies, typically in the 0 to 15 du/ac range.

Table 78: Densities, Affordability, and Implementing Zones

Income	Density Range (du/acre)	Gilroy Implementing Zone
Above Moderate	0-15	RH, LDR, RR, ND
Moderate	15-30	MDR, ND, TD, DHD, DED, TD, CD, GD, R3, R4
Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4
Very Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4

Size

Pursuant to state law, RHNA sites accommodating lower-income units must have areas between 0.5 and 10 acres, regardless of allowed density. The identified RHNA sites for lower-income units meet these criteria. Sites that may otherwise meet the 30 du/ac default density but are smaller than 0.5 acres are presumed to be affordable to moderate-income households.

The exception to this is one 0.49-acre vacant parcel in the mixed-use corridor. The site is part of a cluster of three vacant sites in the First Street mixed-use corridor (APNs: 790 39 019, 790 39 029, and 70 39 030). It is anticipated that this site could be developed together with the two other sites, which have acreages of 0.55 and 0.97. Even if the site is developed on its own, the 0.49-acre site is functionally the same as a 0.5-acre site for the purpose of its development.

Environmental and Infrastructure Constraints

The Opportunity site inventory analysis takes into consideration any environmental constraints such as habitat, flood, noise hazards, and steep slopes, among others. Any environmental constraints that would lower the potential yield (e.g., steep slopes) have already been accounted for in the site/unit capacity analysis. In general, the deductions in yield from the maximum will cover and accommodate any reductions in site capacity due to environmental constraints.

Local Data

The 2005 Downtown Specific Plan IS/MND analyzed 416 parcels and approximately 160 acres, and identified one contaminated site at 7301-7363 Monterey Road. A Phase I Environmental Site Assessment was completed in 2016, and cleanup was deemed not necessary. The following are two examples of recent projects that completed an environmental analysis.

- The ROEM development was submitted with a Phase I Environmental Site Assessment in August 2022. The study did not identify evidence of Recognized Environmental Conditions or Controlled Recognized Environmental Conditions in connection with the property; however, the report recommended subsurface investigation due to the historical use of the property as an auto dismantling storage yard from approximately

1963 to 2014. The applicant did not reduce the capacity of the project due to these contaminants and has not asked for any concessions related to the contaminants.

- An initial study / Mitigated Negative Declaration (MND) was prepared for the Monterey Gateway projects and identified no significant adverse effects on the environment.

There are no RHNA sites with known contamination, and no sites were identified as having contamination in either the 2040 Gilroy General Plan EIR or the Downtown Specific Plan MND.

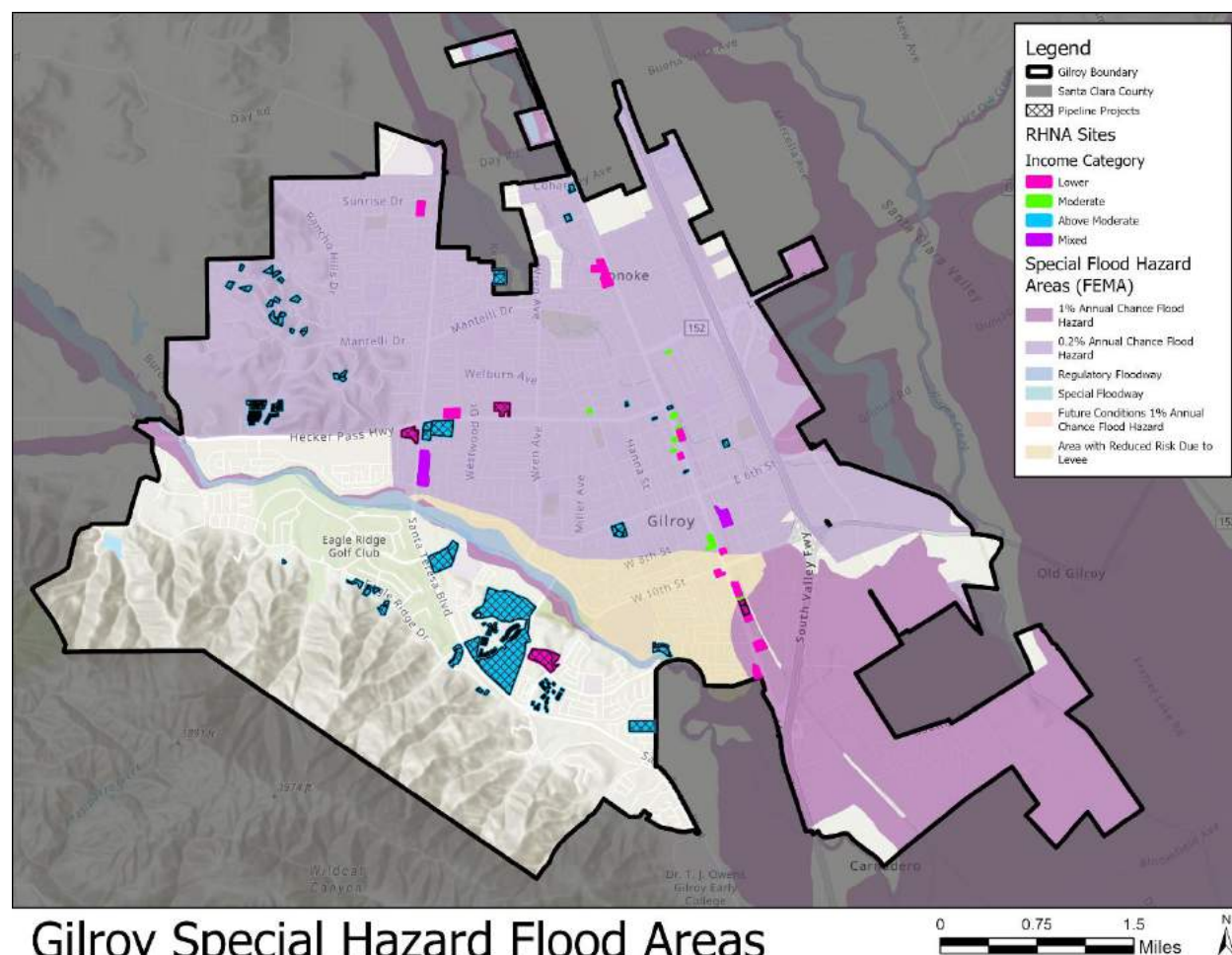
Flooding

Portions of Gilroy fall into flood hazard zones as defined by the Federal Emergency Management Agency (FEMA). The City has been a participating community in the National Flood Insurance Program since August 1, 1980. Figure 45 displays the special flood hazard areas in Gilroy. The northern part of the City falls into flood zone “X”, which has a 0.2 percent annual chance of flooding; these areas are not subject to special standards. The large majority of the City has some amount of flood risk.

The southeast portion of the City is within the “AH” flood zones, which indicate areas that are subject to inundation by 1 percent annual chance of shallow flooding. Seven sites located along Monterey Street are within this zone, including three proposed for low-income development. The City’s standards for development in the identified flood areas were adopted in 2016.³⁹ The City allows for residential development within its floodplains, provided mitigating strategies and design choices are made to ensure safety and limit flood damage. In “A” flood zones, the construction must be elevated to or above the base flood elevation and the lowest floor must be elevated at least one foot above the base flood elevation. While the requirements for floodplain development may act as minor constraints to housing production, they are not expected to reduce development yields or preclude new housing production in general. Most of the recent and pipeline projects that are not a part of the Hecker Pass or Glen Loma Specific Plans are located in a flood zone. This includes the Cannery apartments, First and Kern apartments, Harvest Park apartments, and JEMCOR apartments.

The City does not have any RHNA sites within floodways, which is a water channel that directly conveys stormwater and experiences rapid velocities during wet weather events.

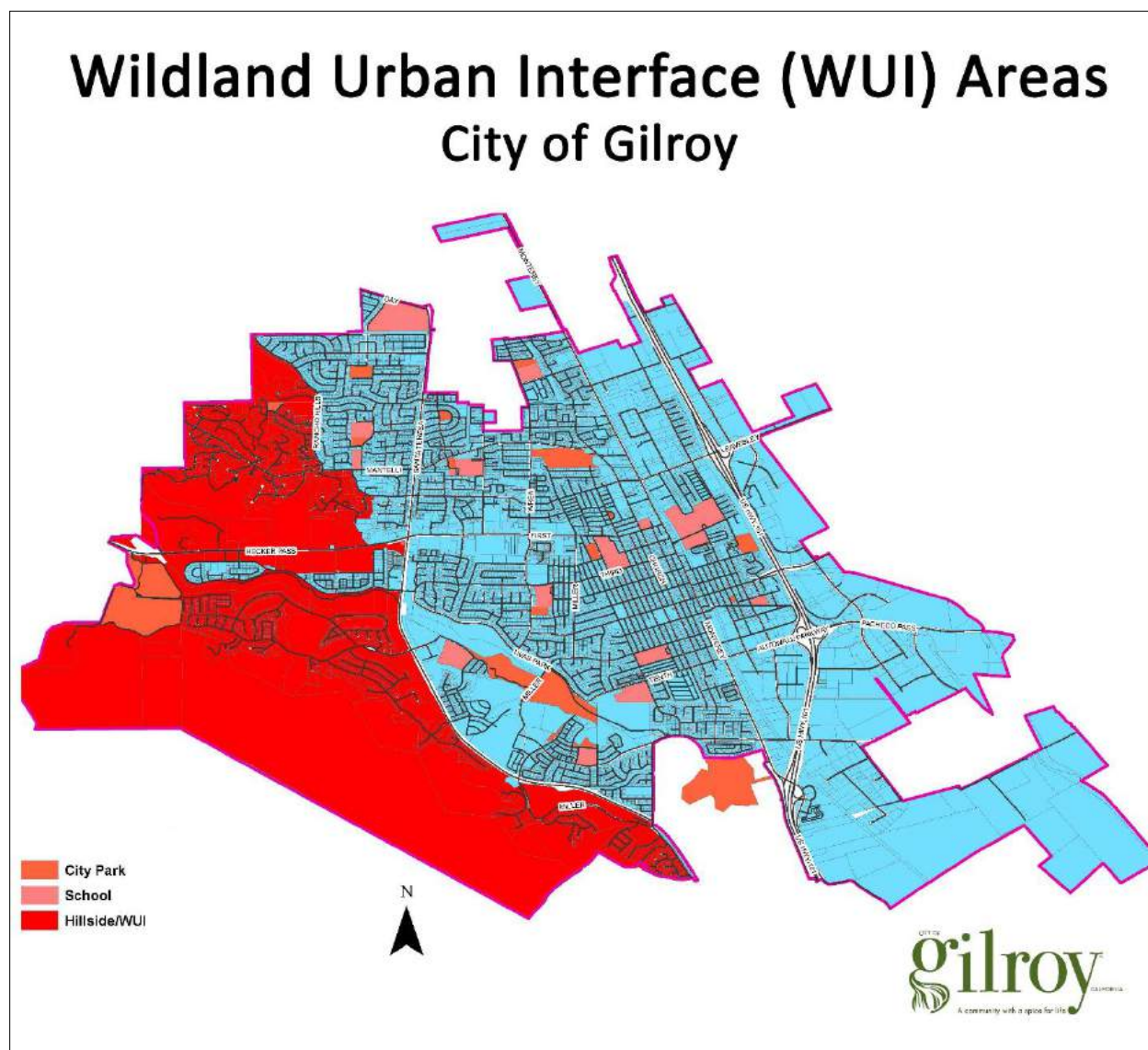
³⁹ City of Gilroy Floodplain Ordinance. <https://ca-gilroy.civicplus.com/DocumentCenter/View/6324/Gilroy-Flood-Ordinance-Update?bidId=>

Figure 45: Gilroy Special Flood Hazard Areas

Source: Federal Emergency Management Agency.

Fire

Although the City of Gilroy does not have any areas identified by the state as very high fire severity zones, the City has identified properties for potential fire risk through its own Wildland Urban Interface (WUI) area map, as shown in Figure 46. According to FEMA, the adoption and effective implementation of up-to-date building codes is the most effective community mitigation measure. Furthermore, the City's development standards recommend that people living in the WUI areas prepare for wildfires by maintaining adequate defensible space around their property, hardening their home by using building materials and installation techniques that increase resistance to heat, flames, and embers, and having a pre-evacuation plan prepared in the event of a wildfire and subsequent evacuation orders. The majority of the Gilroy Designated WUI is zoned for open space, Residential Hillside (RH, areas with 10%–30% slopes), R1, and the Hecker Pass Special Use District. None of the RHNA sites are within the WUI areas.

Figure 46: Gilroy Wildland Urban Interface Areas

Source: City of Gilroy.

Infrastructure

The City has enough capacity to accommodate the entire RHNA site inventory within the Urban Service Area, where the City is committed to providing basic infrastructure services for urban development. Full urban-level infrastructure services, including water and sewer, are available throughout the City and to the sites in the RHNA inventory. Program E - 1 states that the City will work with public service providers to ensure there is the prioritization of services to housing developments serving lower-income households.

Entitled and Pending Pipeline Projects

Per the HCD Sites Inventory Guidebook, the City may credit sites that have been proposed, approved, or given a certificate of occupancy since the beginning of the RHNA projected period.⁴⁰ Table 79 includes pipeline projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The City has approved or received multiple applications for housing developments in the City. Pipeline project unit counts were based on City approved entitlements, building permits issued, and submitted applications. The City has reviewed the pipeline projects and there are no known barriers to development, phasing, or other relevant factors that would prohibit the pipeline projects from being completed. Any phasing or buildout horizons are considered in unit counts.

All of the lower income units identified in Table 79 are (or will be) deed restricted for a period of 55 years.

- The First and Kern and Hecker Pass apartments are both density bonus projects that are deed restricted for 55 years. The First and Kern and Hecker Pass apartments affordable units were under construction in April 2023 with final occupancy anticipated in spring 2023.
- The Glen Loma Apartment Project is subject to the 15 percent affordable unit requirement under the Neighborhood District Policy and has a 55-year regulatory agreement. Final occupancy of the Glen Loma affordable units is also anticipated in spring 2023.
- The 94-unit affordable project at 6630-6680 Monterey Street was under review by the Planning Department in April 2023. The environmental review and planning entitlements are anticipated to be complete by the end of 2024. Assuming a two-year construction timeline, this project would potentially be occupied in 2026.

City staff anticipates that the City's allocation of above-moderate income units will be completed and exceeded during the 2023-2031 planning period.

All pipeline project units are anticipated to be completed in the planning period. The City will monitor the actual units constructed and income/affordability when the pipeline projects are developed as a part of Program A - 1. If the pipeline projects are not developed or are developed with fewer RHNA units than anticipated, the City will identify additional RHNA sites needed to make up the loss. Sites will be identified from the No Net Loss Inventory List created through Program A - 1.

⁴⁰ HCD Sites Inventory Guidebook https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Table 79: Pipeline Projects Counted in 6th Cycle (Proposed, Entitled, Permits Issued)

PIPELINE PROJECTS	Status	Very Low	Low	Moderate	Above Moderate	Total
JEMCOR First & Kern Apts. 975 First Street	Building Permits Issued on 4-21-2021	36	83	1	-	120
JEMCOR Village at Santa Teresa Apartments 1520 Hecker Pass	Building Permits Issued 04-12-2022	20	79	1	-	100
Glen Loma BMR Apartments 1301-1345 Luchessa Ave	Building Permits Issued 06-11-2020	-	152	-	-	152
Glen Loma, Royal Way, and Gurries Townhomes	Various stages of review/issuance	-	-	-	326	326
7888 Monterey Mixed-Use Project	Building Permit Applied 09-22-21	-	-	-	10	10
108 Chickadee Lane Mixed-Use Project	Submitted to Planning 05-24-22	-	-	-	12	12
6630-6680 Monterey Street Affordable Housing Project	Submitted to Planning 12-07-22	20	73	1	-	94
Single Family Homes, Subdivisions	Various stages of review/issuance	-	-	-	408	408
Total		76	387	3	756	1,222

Source: City of Gilroy.

Accessory Dwelling Units (ADUs)

The City of Gilroy has seen the number of ADU permits increase over recent years. A section of the City website is dedicated to ADU information, including FAQs, links to helpful resources, required documents, and the template to deed-restrict ADUs and junior ADUs. Table 80 displays ADU development trends in Gilroy. Based on the average number of building permits for ADUs in the last four years (15.75), the City is conservatively projecting 140 ADUs over the 2023–2031 6th cycle. The City is not relying heavily on projected ADUs to meet its RHNA (less than 7 percent of the RHNA plus the buffer).

The City is including Programs A - 6 (ADU Tracking and Monitoring), A - 7 (ADU Pre-Designed Plans), A - 8 (Financial Incentives for Affordable ADUs), Program A - 15 (ADU Ordinance Updates), and G - 3 (ADU Education) to incentivize and specifically facilitate ADU construction

for lower-income households per California Government Code Section 65583(c)(7). Furthermore, Program A - 6 (ADU Tracking and Monitoring) requires an update to the ADU strategy if annual production and affordability rates fall below the estimates.

Table 80: ADUs Toward the RHNA

Year	# of ADUs
2018	7
2019	16
2020	13
2021	27
Average	15.75

Source: City of Gilroy.

Assumed Affordability

The levels of affordability assumed for the 140 ADUs projected during the 6th Cycle period is based off the ABAG affordability survey data.⁴¹ The study allocated 30 percent of ADUs in each of the very low-, low-, and moderate-income categories, and the remaining 10 percent in the above moderate-income category. Table 81 displays the assumed affordability and projected number of ADUs in each income category.

Table 81: ADU Affordability Assumptions

Percent	Income Category	# of ADUs
30%	Very Low	42
30%	Low	42
30%	Moderate	42
10%	Above Moderate	14
		140 ADUs (total)

Source: ABAG ADU Technical Assistance Memo, City of Gilroy.

Ability to Meet the RHNA

As shown in Table 82, the City has identified sufficient capacity to meet Gilroy's RHNA, in addition to a 15 percent buffer, without rezoning. California Government Code Section 65583.2(c) states that cities must have a program to facilitate by-right approval for projects that include at least 20 percent of the units for lower-income housing on rezoned low-income

⁴¹ ABAG ADU Technical Assistance Memo. <https://abag.ca.gov/sites/default/files/documents/2022-03/ADUs-Projections-Memo-final.pdf>

sites. The City of Gilroy is not rezoning any sites to meet the RHNA. Thus, this provision is not applicable to the RHNA sites inventory for Gilroy.

Table 82: RHNA Capacity and Buffer

	Category	Very Low	Low	Moderate	Above Moderate	Total
A	RHNA Assessment	669	385	200	519	1,773
B	Pipeline Projects (<i>Table 79</i>)	76	387	3	756	1,222
C	ADUs (<i>Table 80</i>)	42	42	42	14	140
D	Unmet RHNA ($A - B - C$)	551	-	155	-	720
E	Vacant Opportunity Sites (<i>Table 84</i>)	324	-	116	-	440
F	Non-Vacant Opportunity Sites (<i>Table 85</i>)	329	-	62	-	391
G	Opportunity Site Capacity ($E + F$)	653	-	178	-	831
H	Total Capacity ($B + C + G$)	771	429	223	770	2,193
J	Surplus of RHNA ($H - A$)	102	44	23	251	420
K	% Buffer Above Unmet RHNA ($((G - D) / D)$)	19%	-	15%	-	-

Lower Income Capacity

Government Code Section 65583.2(g)(2) states that housing elements relying on non-vacant sites for greater than 50 percent of its lower-income households need to demonstrate that the existing use does not constitute an impediment to additional residential development. Fifty percent of the 1,054 lower-income RHNA is 527 units. The requirements of Government Code Section 65583.2(g)(2) do not apply to Gilroy, since only 31.2 percent of the proposed lower-income RHNA sites (including the buffer) are met through non-vacant sites ($329/1,054 = 31.2\%$). The remaining lower-income (low and very low) RHNA units are met through pipeline projects, ADUs, and vacant sites, as illustrated elsewhere in this chapter.

Table 83: Lower Income RHNA Capacity

Category	Lower Income Capacity (VLI + LI)	% of Lower Income RHNA (1,054 Units)
Pipeline Projects (Table 79)	463 (76 + 387)	43.9%
ADUs (Table 80)	84 (42 + 42)	8.0%
Vacant Opportunity Sites (Table 84)	324 (324 + 0)	30.7%
Non-Vacant Opportunity Sites (Table 85)	329 (329 + 0)	31.2%

Category	Lower Income Capacity (VLI + LI)	% of Lower Income RHNA (1,054 Units)
Total Lower Income Sites	1,200 (771 + 429)	113.9%

There are enough pipeline projects to fully meet the above moderate and the low-income RHNA categories, as shown in Table 74. There is also sufficient capacity with pipeline projects, ADUs, and opportunity sites to meet the City's RHNA for all income categories with a 15 percent buffer for the unmet RHNA, as shown in Table 82.

Zoning for Moderate and Above Moderate Households

Pursuant to Government Code Section 65583.2(c)(4), at least 25 percent of the remaining moderate and above moderate RHNA sites are zoned for at least four units of housing (e.g., fourplex or greater). As shown in Table 82, above moderate sites are met entirely through pipeline projects and ADU projections (756 and 14 units, respectively). The 770 units exceed the above moderate RHNA allocation (519) by 251 units. There is no remaining above moderate RHNA that needs to be identified.

There is a remaining need of 155 moderate units after pipeline projects and projected ADUs. The Opportunity Sites Inventory identifies 178 moderate-income RHNA opportunity site units. Of these, 167 are on sites that allow for at least four units of development. Only 11 moderate units are identified on sites that allow for less than four units of housing. Thus, the City is compliant with Government Code Section 65583.2(c)(4). The allocation of moderate units on a site-by-site basis is shown in Appendix B.

Market Demand

The following inquiries for residential development act as indicators for potential development throughout the City:

- Inquiries from two different parties to redevelop property located at 7744 and 7740 Egleberry Street with residential uses
- Inquiry on upzoning the vacant parcel at 820 Sunrise Drive to higher density residential
- 7050 Monterey Road (and the two non-vacant parcels on either side of it)
- 1355 First Street
- 1440 Ponderosa - large vacant site on west side
- 8955 Monterey Road
- APN 841-13-022 - vacant Pacific Railroad / future High Speed Rail site
- APN 790 36 012 - car lot, Church/Howson northeast corner, west of Church, east of Monterey
- APN 790-35-001 and 790-36-02 – two vacant parcels, west of Church, east of Howson / Monterey

Opportunity Site Details

The Opportunity Site selection process examined zoned capacity, existing uses, and recent development trends to determine which parcels to include to meet the remaining RHNA after considering pipeline projects and ADUs. Both vacant and non-vacant sites are included in the Opportunity Sites Inventory. The opportunity site selection process took site characteristics, surrounding uses, and development constraints into consideration when evaluating each site's development potential. To meet the RHNA for lower-income households, the Opportunity Sites Inventory relies on sites with densities that allow for at least 30 du/acre. To meet the RHNA for moderate-income households, the inventory relies on sites zoned for up to 20 du/acre in the medium density General Plan land use category. In addition, smaller sites (< 0.5 acres), zoned for up to and greater than 30 du/acre, may be suitable for moderate-income households. For a detailed analysis of the sites as they relate to affirmatively furthering fair housing, see the Affirmatively Furthering Fair Housing chapter.

Vacant Sites

A portion of the RHNA will be met on vacant land that is zoned for residential use. Per HCD's Housing Element Sites Inventory Guidebook, a vacant site is one "without any houses, offices, buildings, or other significant improvements [...] or structures on a property that are permanent and add significantly to the value of the property."⁴² Table 84 displays the capacity of residentially zoned vacant sites included in the Opportunity Sites Inventory. A total of 440 lower- and moderate-income units can be accommodated with currently vacant residentially zoned land. This includes 324 very low units and 116 moderate-income units.

Table 84: Residential Vacant Sites Capacity

Zone	Capacity
First Street Mixed-Use Corridor	30
Downtown Specific Plan	171
Neighborhood District	31
R3	6
R4	202
Total	440

Non-Vacant Sites

As shown in Table 82 and Table 83, only 329 (31.2%) of the 1,054 lower-income RHNA units will be met by non-vacant RHNA opportunity sites. When considering both lower-income (329 units) and moderate income (62 units), 391 units are accommodated through non-vacant

⁴² HCD Housing Element Sites Inventory Guidebook. https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

opportunity sites. Table 85 summarizes the capacity of non-vacant sites included to meet the RHNA broken down by their existing General Plan use. As shown in Table 85, the 391 non-vacant site units are located in the First Street mixed-use corridor (32 units), the R4 zone (109 units), Downtown Specific Plan areas (229 units), and the Public Facility zone (21 units).

Table 85: Non-Vacant Site Capacity

Existing GP Use	Capacity
First Street Mixed-Use Corridor	32
Downtown Specific Plan	229
R4	109
PF	21
Total	391

Source: City of Gilroy.

Non-Vacant Site Details

Local Data

The City has seen recent interest in redevelopment of non-vacant sites for affordable and market-rate housing. This includes a project proposed in 2022 for a 94-unit, 100 percent lower-income project on three parcels in the Gateway District in the Downtown Specific Plan area. Current uses on these parcels include a two-story office building, multiple single-story commercial structures, and their paved parking areas. Another project proposed on a non-vacant site includes the development of an affordable housing project on land owned by Santa Clara County that currently consists of four large structures. The City of Gilroy and the Santa Clara County Office of Supportive Housing entered into a Memorandum of Understanding in October 2022 regarding the development of 57 units for households earning less than 80 percent of AMI. This project is not included in RHNA projections since a formal proposal has not yet been received. The City has also received interest in developing market-rate housing from a developer for a parcel that includes a car dealership in Downtown.

These projects demonstrate the viability and interest in redeveloping non-vacant sites in downtown Gilroy, including for both affordable and market-rate housing. These sites have similar zoning and characteristics to the proposed RHNA sites and therefore demonstrate the strong likelihood of meeting the projected construction of units within the next 8 years.

The following section provides further detail on each of the non-vacant sites identified in the inventory. The non-vacant sites were selected based on their existing uses, capacity for residential redevelopment, and their high potential for short-term redevelopment. Land-improvement ratios were also calculated and considered in site selection. The comparison of assessed values for land and improvements (land-improvement ratios) is a reliable indicator of whether and to what extent sites are utilized. Typically, a newly improved site will have a

ratio of well under 0.2, or where the improvements are valued at five times the value of the land.

R4 Northern Cluster



The parcels at 8985, 8955, and 8915 Monterey Road are all R4 zoned sites adjacent to one another, which provides an opportunity for consolidation. There are no existing residential uses on the sites. Their combined acreage is 3.59 acres. The combined realistic capacity for these sites is 86 lower-income units. The northern and central buildings were built prior to 1956. There is no maximum FAR and no maximum density in the R4 zone.

8985 Monterey Road (R4 High Density)

The 0.80-acre site at 8985 Monterey Road is currently occupied by a preschool and day care center. More than half of the lot is a parking lot and is underutilized relative to its potential under the current zoning. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The land-improvement ratio for this site is 1.05. The realistic capacity for this site is 19 units. The site could be developed to retain the existing use in either existing or new buildings as part of new residential development.



8955 Monterey Road (R4 High Density)

The 2.05-acre site at 8955 Monterey Road is currently occupied by a church, a closed commercial building that was formerly the office of a general contractor, and several storage containers.

Commercial structures on the lot are single story, while the church is partially two stories. Approximately half the site is used for parking or vehicle access. It is located in the center of an existing residential community, making this site optimal for further residential development. There is potential for partial redevelopment of the site, on the western portion of the site, which could maintain some of the existing uses during redevelopment. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 49 units. It may be possible to achieve this capacity while maintaining some of the existing uses, specifically the church.



8915 Monterey Road (R4 High Density)

The 0.74-acre site at 8915 Monterey Road is currently occupied by a used car sales lot. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. It is nearly all surface parking, with no expensive or modern permanent structures that would preclude redevelopment. The land-improvement ratio for this site is 19.01. The realistic capacity for this site is 18 units.



R4 Northern Cluster	Description		
APNs	790-14-025	790-14-075	790-14-091
Size (Ac)	2.05	0.74	0.80
Zoning	R4		
General Plan Designation	High Density Residential		
Current Use	Commercial	Commercial	Preschool
Land Improvement Ratio	N/A	19.01	1.05
Within 1 mile of:			
Daycare	Yes - Little Blue Star Daycare, 826 Mantelli Dr		
Grocery	Yes - Lopez Produce Market, 8655 Monterey Hwy		
School	Yes - Vine Academy, 8455 Wren Ave		
Income Category	Lower		
Total Units	49	18	19

Monterey Cluster 1 (Downtown Expansion District)

The parcels at 7191, 7161, 7121 Monterey Street and Monterey Street (west side), north of W Ninth Street are all adjacent to one another, which provides an opportunity for a larger moderate-income residential community. The sites are near several restaurants, a grocery store, and a train station, which provide necessary resources for residents. Their combined acreage is 1.32 acres. The combined realistic capacity for these sites is 40 units. Mixed-use projects have a maximum FAR of



2.5 and a minimum residential density of 20 du/ac. There is no maximum density. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

7191 Monterey Street (Downtown Expansion District)

The 0.34-acre site at 7191 Monterey Street is currently partially occupied by a vacant single-story office space. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and potential lot consolidation. The land-improvement ratio for the site is 0.64. The realistic capacity for this site is 10 moderate-income units. Under

Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7161 Monterey Street (Downtown Expansion District)

The 0.32-acre site at 7161 Monterey Street is currently partially occupied by a small plumbing and auto sales office that was built in 1930 (non-historic). More than half of the lot is parking for the used cars being sold by the dealer. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio for this site is 1.90. The realistic capacity for this site is 10 moderate-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



Monterey Street (west side), north of W Ninth Street (Downtown Expansion District)

The 0.30-acre site at Monterey Street is currently entirely used as a parking lot or for the used cars being sold by the auto dealer on the adjoining parcel. Redevelopment of this site would benefit the community as its single level use as a parking lot renders the land underutilized and below its zoning potential. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 9 moderate-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential

uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7121 Monterey Street (Downtown Expansion District)

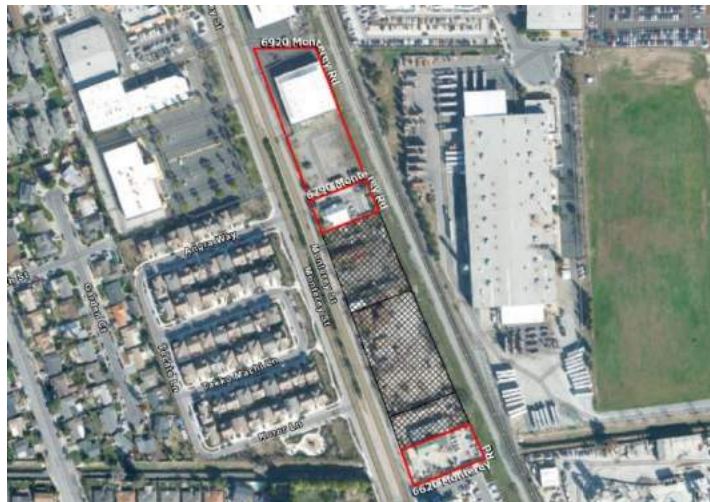
The 0.36-acre site at 7121 Monterey Street is currently half occupied by a seafood restaurant with some outdoor dining spaces. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio is 1.24. The realistic capacity for this site is 11 moderate-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



Monterey Cluster 1	Description			
APNs	799-10-033	799-10-034	799-10-048	799-10-049
Size (Ac)	0.34	0.32	0.30	0.36
Zoning	DED – Downtown Expansion District			
General Plan Designation	Downtown Specific Plan			
Current Use	Commercial	Commercial	Parking Lot	Commercial
Land Improvement Ratio	0.64	1.90	N/A	1.24
Within 1 mile of:				
Daycare	Yes - Hunny Bunny Daycare, 7361 Egleberry St			
Grocery	Yes - Gilroy Valley Market, 7237 Monterey Hwy #6921			
School	Yes - Glen View Elementary School, West 8th St			
Income Category	Moderate			
Total Units	10	10	9	11

Monterey Cluster 2 (Gateway/Downtown Expansion District)

The parcels at 6790 and 6620 Monterey Road are both in Gateway District zoned sites adjacent to one another in the Downtown Specific Plan area. 6920 Monterey Road in the Downtown Expansion District and is also included in this group of sites. These sites provide an opportunity for a larger residential community and a potential for lot consolidation. The sites are near several restaurants, a bulk grocery store, and a high school, which provide necessary resources for residents. These sites all have high land-improvement ratios



indicating strong potential for redevelopment. These sites are adjacent to a proposed project located at 6730, 6630, and 6680 Monterey Street, which are denoted with a crosshatch in the aerial above. Their combined acreage is 2.61 acres and the combined realistic capacity is 73 units. This cluster of sites spans two districts. Mixed-use projects in the Downtown Expansion District have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac (there is no maximum density). Mixed-use projects in the Gateway District have a maximum FAR of 0.75, while stand-alone residential projects have a maximum 30 du/ac density. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential

uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

6920 Monterey Road (Downtown Expansion District)

The 1.69-acre site at 6920 Monterey Road is currently about two-thirds underutilized vacant lot, with the only building being a permanently closed furniture store. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 0.81. The realistic capacity for this site is 51 lower-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



6790 Monterey Road (Gateway District)

The 0.39-acre site at 6790 Monterey Road currently has an electric company building occupying about 25 percent of the parcel, while the large majority of the site is an underutilized surface parking lot. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 2.37. The realistic capacity for this site is 9 moderate-income units. It is possible these units could be built without displacing the existing use.



6620 Monterey Road (Gateway District)

The 0.53-acre site at 6620 Monterey Road is currently almost all parking lot and vehicle access, with a small commercial construction building. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 3.33. The realistic capacity for this site is 13 lower-income units.



Monterey Cluster 2	Description		
APNs	841 14 006	841 14 081	841 14 083
Size (Ac)	0.39	0.53	1.69
Zoning	GD – Gateway District	GD – Gateway District	DED – Downtown Expansion District
General Plan Designation	Downtown Specific Plan		
Current Use	Commercial	Industrial	Parking
Land Improvement Ratio	2.37	3.33	0.81
Within 1 mile of:			
Daycare	Yes - Clever Kidz Home Daycare, 295 London Dr		
Grocery	Yes - Smart & Final Extra!, 250 E 10th St		
School	Yes - Glen View Elementary School, West 8th St		
Income Category	Moderate	Very Low	Very Low
Total Units	9	13	51

Monterey Cluster 3 (Gateway District)

The parcels at 6320, 6470, and 6380 Monterey Road are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near a park, a school, and a grocery outlet, which provide necessary resources for residents. Their combined acreage is 2.06 acres and the combined realistic capacity is 48 units. Mixed use projects in the Gateway District have a maximum FAR of 0.75, while stand-alone residential projects have a maximum 30 du/ac density.



6320 Monterey Road (Gateway District)

The 0.55-acre site at 6320 Monterey Road is currently occupied by a single-family home and a permanently closed hardware store. Half of the parcel is an underutilized empty lot, making this site optimal for further residential development. The land-improvement ratio for the site is 0.87. The realistic capacity for this site is 12 lower-income units.



6380 and 6470 Monterey Road (Gateway District)

The 0.77- and 0.74-acre sites at 6380 and 6470 Monterey Road are currently an unoccupied former lumber yard and associated buildings. The majority of the parcels are vacant and underutilized. They are adjacent to an existing residential community, making these sites optimal for further residential development. The land-improvement ratio for these sites is 1.25 and 22.52, respectively. The realistic capacity for each site is 18 lower-income units.



Monterey Cluster 3	Description		
APNs	841 14 015	841 14 036	841 14 037
Size (Ac)	0.55	0.74	0.77
Zoning	GD – Gateway District		
General Plan Designation	Downtown Specific Plan		
Current Use	Single - Family Residential	Industrial	Industrial
Land Improvement Ratio	0.87	22.52	1.25
Within 1 mile of:			
Daycare	Yes - Clever Kidz Home Daycare, 295 London Dr		
Grocery	Yes- Smart & Final Extra!, 250 E 10th St		
School	Yes - Gilroy High School, 750 W 10th St		
Income Category	Very Low		
Total Units	12	18	18

Monterey Cluster 4 (Downtown Expansion District)

The parcels at 7780, 7760, and 7700 Monterey Road are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near multiple schools and a grocery store, which provide necessary resources for residents. Their combined acreage is 1.75 acres. The combined realistic capacity for these sites is 52 units. Mixed use projects in the Downtown Expansion District have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac (there is no maximum density). Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7780 Monterey Road (Downtown Expansion District)

The 0.44-acre site at 7780 Monterey Road is currently occupied by a single-story office space and a small shed. About 25 percent of the parcel is an underutilized surface lot. Businesses that occupy the site seem to have limited hours, which may eliminate the need for an office space. There is also the possibility for a mixed-use development without displacement of existing businesses. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 13 moderate-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7760 Monterey Road (Downtown Expansion District)

The 0.7-acre site at 7760 Monterey Road is currently occupied by a single-story strip mall that includes a restaurant and a window tinting business. About 75 percent of the parcel is an underutilized surface lot with vehicle access both in front of and behind existing businesses. Development without displacement of existing businesses is possible. The land-improvement

ratio for the site is 1.35. The realistic capacity for this site is 21 lower-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7700 Monterey Road (Downtown Expansion District)

The 0.61-acre site at 7700 Monterey Road is currently occupied by a single-story small office park. Over half the site is underutilized lot and vehicle access. The land-improvement ratio for the site is 0.75. The realistic capacity for this site is 18 lower-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



Monterey Cluster 4	Description		
APNs	841 04 018	841 04 019	841 04 020
Size (Ac)	0.61	0.70	0.44
Zoning	DED – Downtown Expansion District		
General Plan Designation	Downtown Specific Plan		
Current Use	Office	Commercial	Office
Land Improvement Ratio	0.75	1.35	N/A
Within 1 mile of:			
Daycare	Yes - Forget Me Not Day Care, 7661 Rosanna St		
Grocery	Yes- El Charrito Market, 7638 Monterey Hwy		
School	Yes - Gilroy Prep School, 277 IOOF Ave		
Income Category	Very Low		Moderate
Total Units	18	21	13

Monterey Street south of Ninth Street (Downtown Expansion District)

The 0.5-acre site is adjacent to a parking lot and railway and is surrounded by residential, industrial, and commercial land uses. This parcel is currently a storage yard for trucks and is a large, paved parking area. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 0 as there are no structures on-site. The realistic capacity for this site is 16 lower-income units. The zoning allows a density range of up to 30 du/net acre in the Downtown Expansion District within the Downtown Specific Plan Area. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).





Monterey St., south of Ninth St (Downtown Expansion District)	Description
APNs	841 14 001
Size (Ac)	0.5
Zoning	DED – Downtown Expansion District
General Plan Designation	Downtown Specific Plan
Current Use	Storage
Land Improvement Ratio	0
Within 1 mile of:	
Daycare	Yes – Hunny Bunny Daycare, 7361 Egleberry St.
Grocery	Yes – Grocery Outlet, Smart & Final; E. 10 th St.
School	Yes – Glen View Elementary School, 600 W 8th St
Income Category	Very Low
Total Units	16

Other Zoning Districts and Designations

880 Sunrise Drive (PF)

The 1.98-acre site at 880 Sunrise Drive is currently two-thirds occupied by a City of Gilroy fire station. The remainder of the site is vacant. The PF zone permits all facilities owned or leased, operated, or used by the City or other governmental agencies on the site. It is located in the center of an existing residential community in a higher resource area of the City, making this site optimal for further residential development. The site is near several schools and a daycare center, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 21 lower-income units on the vacant land and parking lot portions of the site, while retaining the existing fire station.



880 Sunrise Drive	Description
APNs	783 20 050
Size (Ac)	1.98
Zoning	PF – Park/Public Facilities District
General Plan Designation	Low Density Residential
Current Use	Fire Station
Land Improvement Ratio	N/A
Within 1 mile of:	
Daycare	Yes - Kool Kids Day Care, 1030 Cheyenne Dr
Grocery	No - Safeway, 905 First St (2.2 miles)
School	Yes - Christopher High School, 850 Day Rd
Income Category	Very Low
Total Units	21

1335 First Street (First Street Mixed-Use Corridor)

The 0.55-acre site is adjacent to two vacant parcels also listed on the sites inventory, with strong potential for redevelopment of all three parcels. This lot is currently occupied by a two-story commercial building which includes a dental care office and a permanently closed pregnancy resource center. The building was built between 1968 and 1980. The site has a



land-improvement ratio of 0.50. Existing uses are not expected to preclude development of this site. The realistic capacity for this site is 12 lower-income units. The General Plan allows a density range of 20-30 du/net acre in the Mixed-Use land use designation. There are no floor area standards for the residential portion of mixed-use projects. Under Program E - 12 (First Street Corridor Mixed-Use District Flexibility), the City would allow flexibility for the non-residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



1335 First Street	Description
APNs	790 39 029
Size (Ac)	0.55
Zoning	C3 – Shopping Center Commercial District
General Plan Designation	Mixed Use
Current Use	Office
Land Improvement Ratio	0.5
Within 1 mile of:	
Daycare	Yes - Sunnyside Daycare, 7962 Westwood Dr A305
Grocery	Yes - Safeway, 905 First St
School	Yes - Rod Kelley Elementary School, 8755 Kern Ave
Income Category	Very Low
Total Units	12

1395 First Street (First Street Mixed-Use Corridor)

The 0.97-acre site is adjacent to two vacant parcels and one other non-vacant parcel also listed on the sites inventory, with strong potential for redevelopment of all four parcels. This lot is currently occupied by a one-story building, which contains a martial arts studio, and a large surface parking lot. The building was built between 1987 and 1998. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 0.45. The



realistic capacity for this site is 20 lower-income units. The General Plan allows a density range of 20-30 du/net acre in the Mixed-Use land use designation. There are no floor area standards for the residential portion of mixed-use projects. Under Program E - 12 (First Street Corridor Mixed-Use District Flexibility), the City would allow flexibility for the non-residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



1395 First Street	Description
APNs	790 39 020
Size (Ac)	0.97
Zoning	C3 – Shopping Center Commercial District
General Plan Designation	Mixed Use
Current Use	Office
Land Improvement Ratio	0.45
Within 1 mile of:	
Daycare	Yes - Sunnyside Daycare, 7962 Westwood Dr A305
Grocery	Yes - Safeway, 905 First St
School	Yes - Rod Kelley Elementary School, 8755 Kern Ave
Income Category	Very Low
Total Units	20

8897 Monterey Road (R4)

The 0.95-acre site is adjacent to a vacant parcel and is surrounded by residential and commercial land uses. This parcel is currently occupied by four single-story buildings that comprise a Budget Motel and a large paved and unpaved parking area. The primary buildings were built in 1952 and the last building was constructed between 1968 and 1980. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 2.09. The realistic capacity for this site is 23 lower-income units. The zoning allows a density range of up to 30 du/net acre in the R4 High Density Residential zone.



8897 Monterey Road	Description
APNs	790 15 041
Size (Ac)	0.95
Zoning	R4 – High Density Residential
General Plan Designation	General Services Commercial
Current Use	Commercial
Land Improvement Ratio	2.09
Within 1 mile of:	
Daycare	Yes - Tiny Tots Preschool & Daycare, 8985 Monterey Hwy
Grocery	Yes - Lopez Produce Market, 8655 Monterey Hwy
School	Yes - Rod Kelley Elementary School, 8755 Kern Ave
Income Category	Very Low
Total Units	23

Financial Resources

The Housing Element serves, in part, to identify what actions can be taken to support the production of housing. Through collaboration with City staff, service providers, and the community, the City's Housing Element identifies financial resources that support housing production.

Countywide Programs

2016 Measure A – Affordable Housing Bond

In November 2016, Santa Clara County voters approved Measure A, the \$950 million affordable housing bond. The housing bond provides the County with an unprecedented opportunity to partner with cities, residents, and the affordable and supportive housing community to significantly address the housing needs of the community's poorest and most vulnerable residents. It provides affordable housing for vulnerable populations, including veterans, seniors, the disabled, low- and moderate-income individuals or families, foster youth, victims of abuse, homeless persons, and individuals suffering from mental health or substance abuse illnesses. The bond proceeds would contribute to the creation and/or preservation of approximately 4,800 affordable housing units in Santa Clara County.

The housing bond will enhance the County's ability to achieve its housing priorities which include:

- Increasing the scope and breadth of supportive housing for special needs populations, including homeless and chronically homeless persons;
- Increasing the supply of housing that is affordable to extremely low-income households; and
- Improving coordination and collaboration among the County, the cities, other governmental agencies, and the affordable housing community.

About \$7.5 million in Measure A funds was used to develop the Monterey Gateway Senior Apartments, a 75-unit affordable housing complex for low-income seniors that was constructed in Gilroy in 2020.

MHSA Housing Program

The California Department of Mental Health, the California Housing Finance Agency, and the County Mental Health Directors Association announced a new housing program in 2016 under which \$400 million in Mental Health Services Act (MHSA) funds were made available to finance the capital costs associated with development, acquisition, construction, and/or rehabilitation of permanent supportive housing for individuals with mental illness and their families, especially including unhoused individuals. The new MHSA Housing Program, and funds for capitalized operating subsidies, are included in the \$400 million that has been designated for the program.

This program will serve persons with serious mental illness who are currently unhoused or at risk of homelessness and who meet the MHSA Housing Program target population description. Santa Clara County's allocated amount is \$19,249,300, of which \$6,416,400 can be used for capitalized operating subsidies. MHSA funding pays only for housing units designated to qualified consumers.

The Sobrato Transitional Apartments is an MHSA housing project in Gilroy. The Sobrato Transitional Apartments, developed and constructed by South County Housing Corporation, provides 35 single-occupancy studio units in Gilroy for unhoused individuals with incomes below 30 percent of the area median income (AMI). The South County Housing Corporation will set aside 17 units for individuals that are currently unhoused or at risk of becoming homeless due to mental illness.

U.S. Department of Housing and Urban Development (HUD) Grants

HOME

The HOME Program is federally funded by HUD to provide decent affordable housing to lower-income households. The HOME Program is administered on behalf of the Santa Clara County Urban County cities, which includes Gilroy.

Community Development Block Grant

The City of Gilroy is an entitlement jurisdiction participating in HUD's Community Development Block Grant (CDBG) Program. A requirement of receiving CDBG funds is the City having a five-year Consolidated Plan, which identifies local community development needs and sets forth a strategy to address these needs over a five-year period. The City's current 5-Year Consolidated Plan spans July 1, 2020 – June 30, 2025.

Developing an Annual Action Plan (AAP) for each of the fiscal years within the Consolidated Plan is also required. AAPs program the use of federal funding for their respective fiscal year by outlining which specific projects or programs will receive funding from the annual allocation. Funding available for housing assistance programs from the state and federal governments is extremely limited. The AAP, which gives a complete breakdown of public service descriptions and use of funds, is available on the City's website.

For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 (each year) in CDBG funds from HUD. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities. A breakdown of CDBG-funded agencies are listed below:

Table 86: CDBG Funded Agencies

Activity Name	2020/2021 Entitlement	2021/2022 Entitlement	2022/2023 Entitlement
Program Administration	\$97,250	\$87,874	\$87,635
Gilroy Youth Center	\$38,452	\$38,452	\$38,452
Rebuilding Home Repair Program	\$144,364	\$140,000	\$140,000
Gilroy Compassion Center	\$16,318	-	-
Live Oak Adult Day Care	\$11,549	\$8,560	\$10,000
Meals on Wheels	-	\$8,643	-
Community Outreach PREP	-	\$10,250	-
Boys & Girls Club - Core Enrichment	-	-	\$8,500
C.A.R.A.S - Ryse Up Program	-	-	\$8,500
Cherry Blossom Rehab	-	\$81,475	-
Monterey Gateway Improvements	-	\$70,592	-
Code Enforcement	\$7,700	-	-
Sidewalk / Curb Ramp CIP Project	\$156,155	-	\$145,090

Source: City of Gilroy, 2022.

CDBG CARES ACT-Coronavirus (CDBG-CV) Funds

CDBG-CV funds were specifically made available for programming that would address the impacts resulting from the COVID-19 pandemic, and include the following programs:

Table 87: CARES Act CDBG-CV Funds

Activity Name	Entitlement
St. Joseph's Rental Assistance	\$150,000
Small Business Assistance	\$125,486
Small Business Assistance	\$100,000
St. Joseph's Rental Assistance	\$137,309
YMCA Healthy Food Delivery	\$100,359

Source: City of Gilroy, 2022.

Rental Assistance/Subsistence Program

The St. Joseph's Rental Assistance program utilizes CARES Act funding for Gilroy residents needing rental assistance. Rent relief is provided to persons and households directly affected by the COVID-19 pandemic.

Small Business Relief Grant Program

The Small Business Assistance Program, originally developed in 2020, includes \$435,000 in professional support for local businesses with processing applications for federal and state loans/grants. This program aligns with the purpose of the CARES Act to provide small grants (\$5,000 to \$10,000) to help local businesses cope with the COVID-19 related economic downturn by providing funds needed for working capital that will result in low-income jobs being retained and/or created.

Housing Trust Fund

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council replaced the HTF with the Permanent Local Housing Allocation (PLHA) Fund, making more funds available for public service programs addressing basic needs and homelessness prevention. The HTF will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements, until the money is depleted.

Permanent Local Housing Allocation Fund

The PLHA Fund spans a five-year period and will make available \$1.4 million. The City is contracting with Santa Clara County's Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. The following agencies were approved by the City Council for FY 22-23 and FY 23-24:

Table 88: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Funded Services	Funding Amount
St. Joseph's Family Center	Emergency rental assistance, utility assistance, and other supportive programs that help diminish the risk of becoming homeless	\$110,000
St. Joseph's Family Center	Training and employment readiness to prepare individuals that are homeless or at risk of homelessness for stability and greater self-sufficiency	\$70,000
Project Sentinel	Fair housing services and investigates complaints to address housing discrimination for Gilroy residents	\$40,000
Project Sentinel	Landlord-tenant counseling and dispute resolution program to help resolve housing conflict and protect Gilroy residents from displacement	\$40,000
The Health Trust	Meals to low income and homebound seniors at risk of food insecurity, allowing them to remain in their homes	\$54,000
South County Compassion Center	Services to unhoused Gilroy residents to meet their basic needs and to connect them with services that can help them attain permanent housing	\$80,000
Community Agency for Resources Advocacy and Services	Rental and deposit assistance to prevent homelessness for Gilroy families and individuals	\$40,000
Silicon Valley Independent Living Center	Counseling for Gilroy residents with disabilities, emergency rental assistance, and housing search services to obtain safe, affordable, and accessible long-term housing	\$40,000

Source: City of Gilroy, 2023.

Housing Choice Voucher Program

The Housing Choice Voucher (HCV) program is a rental assistance program that helps very low-income families to live in market-rate housing units rather than public housing. Households are provided with vouchers that are paid to private market-rate landlords, who are then reimbursed by HUD. In addition to the regular voucher program, Santa Clara County Housing Authority (SCCHA) administers special housing programs. These programs include the Veterans Affairs Supportive Housing (VASH) Program, Mainstream Program, and Emergency Housing Vouchers (EHV).

- The VASH Program is for homeless veterans with severe psychiatric or substance abuse disorders. The Veterans Affairs Palo Alto and SCCHA have partnered to provide rental

vouchers and supportive services to eligible veterans. The veteran must demonstrate to the VA Medical Center that they are homeless (has been living outdoors, in a shelter, in an automobile, etc.) before being evaluated for this program.

- The Mainstream Program is designed to provide assisted housing to persons with disabilities to enable them to rent suitable and accessible housing in the private rental market. Mainstream applicants are offered a voucher as allocations become available. Applicants must be participating in programs of rehabilitation and/or support services within the community that are directly related to their disability.
- The EHV program is available through the American Rescue Plan Act. Through EHV, HUD provided SCCHA with 664 housing vouchers to assist individuals and families who are homeless, at risk of homelessness, were recently homeless or have a high risk of housing instability; or who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Project-Based Voucher Program

The Project-Based Voucher Program provides rental assistance to households living in specific housing sites. Because the rental assistance is tied to a particular unit, a family cannot retain the assistance if they move (voluntarily or through eviction). The Housing Authority administers different waiting lists by bedroom size for each project-based housing site. These housing sites are either multifamily or senior housing developments.

Statewide Resources

There are a variety of statewide programs and resources available. The City receives regular notification regarding state and federal funding and grant opportunities. Additionally, the City pursues grants on a programmatic and project basis for active programs and projects in Gilroy.

Senate Bill 2 (SB 2) Grant. In 2020, the City was awarded \$160,000 in SB 2 grant funding to create and adopt objective design standards for mixed-use and multifamily residential projects in Gilroy. The City also used the funding to create and adopt objective design standards for SB 9 projects. The project was eligible for funding under the SB 2 Policy Priority Area *Objective Design and Development Standards*. The goal of the project was to create objective design standards that would increase consistent decision making; minimize applicant delays; better utilize staff resources; and promote/require good design principles in Gilroy to help ensure that housing development projects conform to the City's minimum design expectations.

Local Early Action Planning (LEAP) Grant. In 2020, the City was awarded \$150,000 in LEAP grant funding. A portion (or potentially all) of the funding will be used to help supplement costs associated with preparation of the 2023-2031 Housing Element.

Regional Early Action Planning (REAP) Grant. In 2021, the City was awarded \$32,603 in REAP grant funding to further supplement costs associated with preparation of the 2023-2031 Housing Element.

The No Place Like Home Program

The No Place Like Home Program provides loans to eligible counties to acquire, design, construct, rehabilitate, and/or preserve permanent supportive housing for persons who are experiencing homelessness or chronic homelessness, or who are at risk of chronic homelessness, and who need mental health services. Projects funded through this program must be apartment complexes of five or more units.

Administrative Resources

The City of Gilroy's Community Development Department consists of the Housing and Community Development (HCD) Division, the Planning Division, and the Building and Safety Division which includes code enforcement. The Community Development Department helps implement several of the programs outlined in this Housing Element with the help of the City's HCD Technician. The Community Development Director manages the City's Housing and Community Development program and administers the CDBG funds, the City's PLHA Fund, and the former HTF. The Planning Division reviews land-use entitlement applications and is responsible for the implementation of the General Plan, Zoning Ordinance, and adopted specific plans. The Building and Safety Division processes and issues building permits, conducts plan reviews, conducts building inspections, and resolves land-use related violations through Code Enforcement.

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE

HOUSING GOALS, POLICIES, AND PROGRAMS

Housing Goals, Policies, and Programs

The section of the Housing Element outlines the City of Gilroy's goals, policies, and implementation programs for the preservation, conservation, improvement, and production of housing for the 2023 – 2031 planning period. The goals, policies, programs, and quantified objectives are designed to help ensure housing opportunities for all existing and future residents of the community.

Housing Production

Goal 1

HOUSING PRODUCTION

Provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types

Policy 1.1: The City shall encourage the provision of a variety of housing options for Gilroy residents.

Policy 1.2: The City shall strive to ensure adequate land is available at a range of densities to meet Gilroy's existing and projected housing needs.

Policy 1.3: The City shall encourage the provision of new affordable housing.

Policy 1.4: The City shall encourage partnerships between non-profit and for-profit housing developers to encourage affordable housing production.

Policy 1.5: The City shall continue to implement the Downtown Specific Plan and encourage and coordinate activities with Downtown stakeholders.

Policy 1.6: The City shall support the development of workforce housing to enable the workforce to live in the community.

Removal of Governmental Constraints

Goal 2

REMOVAL OF GOVERNMENT CONSTRAINTS

Remove or reduce governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.

Policy 2.1: The City Shall periodically review City regulations, ordinances, permitting processes, and residential fees to ensure that they do not unreasonably constrain housing development and are consistent with State law.

Policy 2.2: The City shall continue to provide individuals with disabilities reasonable accommodation through flexibility in the application of land use or zoning when necessary to eliminate barriers to housing opportunities.

Policy 2.3: The City shall consider the development of single-room occupancy units, studio apartments, micro-units, and other similar unit types that are affordable to extremely low-income residents in higher-density areas of the City.

Housing Preservation and Rehabilitation

Goal 3

HOUSING PRESERVATION AND REHABILITATION

Maintain and conserve the existing housing stock in a sound, safe, and sanitary condition.

Policy 3.1: The City shall strive to preserve the affordability of existing below market rate housing units.

Policy 3.2: The City shall promote the maintenance and rehabilitation of structures in poor condition and take action to prevent poorly maintained properties from further deterioration.

Policy 3.3: The City shall encourage the retention and rehabilitation of older homes in and near the historic City Center and ensure that rehabilitation activities are sensitive to the historic character of the building and/or site.

Housing Assistance to Meet the Needs of All Income Levels

Goal 4

HOUSING ASSISTANCE TO MEET THE NEEDS OF ALL INCOME LEVELS

Encourage and support the provision of a variety of affordable housing types.

Policy 4.1: The City shall continue to participate in programs that assist lower- and moderate-income households to secure affordable housing, such as the County's Mortgage Credit Certificate program, Housing Choice Voucher programs, and Silicon Valley's assistance programs.

Policy 4.2: The City shall support homeownership opportunities for low- and moderate-income households.

Policy 4.3: The City shall provide incentives for affordable housing, including but not limited to the density bonus ordinance and expedited project review.

Special Housing Needs

Goal 5

SPECIAL HOUSING NEEDS

The City shall increase access to decent and suitable housing for Gilroy residents with special housing needs.

Policy 5.1: The City shall encourage housing opportunities for special needs groups, including: seniors; persons with disabilities, including developmental disabilities; the unhoused; large households; single female-headed households; and farmworkers.

Policy 5.2: The City shall encourage the development, rehabilitation, and preservation of affordable and market-rate housing for seniors, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

Policy 5.3: The City shall support efforts to provide emergency shelter, transitional housing, and permanent supportive housing for unhoused persons and those at risk of homelessness.

Policy 5.4: The City shall support the development of permanent and seasonal farmworker housing in appropriate areas of the City.

Policy 5.5: The City shall encourage affordable housing developments to include units that can accommodate large households of five or more.

Policy 5.6: The City shall encourage the development and maintenance of housing accessible to people with disabilities, including developmental disabilities.

Affirmatively Furthering Fair Housing

Goal 6

FAIR HOUSING

Ensure equal housing opportunities for all Gilroy residents regardless of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.

Policy 6.1: The City shall promote fair housing standards and comply with State laws.

Policy 6.2: The City shall refer discrimination complaints to Project Sentinel or other organizations that address housing discrimination.

Policy 6.3: The City shall prioritize economic investment and opportunity in the Downtown Specific Plan area, especially the Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) and the Equity and Engagement District (EED), which is the focus of the City's Environmental Justice goals, policies, and programs.

Education and Outreach

Goal 7

EDUCATION AND OUTREACH

Increase awareness of and participation in housing programs.

Policy 7.1: The City shall consolidate and disseminate housing related resources to provide better access to information on available housing programs and affordable housing units.

Policy 7.2: The City shall encourage the production of secondary units in single family districts through outreach and educational materials.

Policy 7.3: The City shall provide information on resources available to assist residents facing foreclosure.

Policy 7.4: The City shall encourage involvement of all Gilroy neighborhoods in the public decision-making process.

Quantified Objectives

Government Code Section 65583 (b) requires that quantified objectives be developed with regard to new construction, rehabilitation, conservation, and preservation activities that will occur during the eight-year Housing Element cycle. The quantified objectives set a target goal for Gilroy to achieve based on needs, resources, and constraints. State law recognizes that the total housing needs identified by a community may exceed available resources and the community's ability to satisfy this need. Table 89 summarizes Gilroy's quantified objectives for the 6th Cycle.

Table 89: Total Quantified Objectives, 2023 – 2031

Target	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
New Construction	334	335	385	200	519	1,773
Conservation	30	30	30	30	-	120
Rehabilitation	80				-	80
Preservation	55			-	-	55
Total						2,028

Programs

The programs in this section of the Housing Element describe specific actions the City will carry out over the eight-year Housing Element cycle to satisfy the community's housing needs and meet the requirements of State law. The programs are organized by the following seven major housing goals:

- Housing Production
- Removal of Governmental Constraints
- Housing Preservation and Improvement
- Housing Assistance
- Special Housing Needs
- Affirmatively Furthering Fair Housing
- Education and Outreach

A. Housing Production

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 1	No Net Loss Inventory and Monitoring	To ensure that the City monitors its compliance with SB 166 (No Net Loss), the City will develop a procedure to and will track: • Unit count and income/affordability assumed on parcels included in the sites inventory. • Actual units constructed and income/affordability when parcels are developed. • Net change in capacity and summary of remaining capacity in meeting remaining RHNA. To ensure the City has adequate sites to accommodate any net loss of Regional Housing Needs Allocation (RHNA) capacity due to development of RHNA sites or accessory dwelling units (ADUs) below projections, the City shall create a No Net Loss Inventory of replacement sites within 18 months of Housing Element certification. The backup replacement sites in the No Net Loss Inventory will be separate and distinct from the identified RHNA sites inventory included in Appendix B. The No Net Loss Inventory replacement sites are all appropriate for lower-income development based on the criteria used for RHNA site selection. The City has begun development of this list and initial estimates include capacity for approximately 600 units, if needed. Quantified Objective: No net loss of capacity below the RHNA requirement during the planning period.	CDD	General Fund	Adopt procedure and create No Net Loss Inventory by end of Q4 2024. Review RHNA site status twice yearly and update No Net Loss Inventory as necessary to maintain adequate RHNA sites.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 2	Surplus Lands/Affordable Housing on City-Owned Sites	Implement the Surplus Lands Act and report any City-owned surplus land in the Annual Progress Report. Provide affordable housing developers the first priority for designated surplus lands as applicable per Government Code Section 54227. Assess City-owned properties for their potential redevelopment or development for residential uses that include housing for extremely low-income households and those with special needs such as seniors and persons with disabilities. Consider adding City owned parcels to the No Net Loss Inventory, as needed. Proactively advertise surplus land opportunities to affordable housing providers, the Santa Clara Office of Supportive Housing, and developers of special needs housing (e.g., extremely low income, disabled, farmworker housing). Quantified Objective: The City will contact affordable housing developers regarding any surplus lands, with the goal of developing at least 21 lower-income units during the planning period.	CDD	General Fund	Report surplus lands in conjunction with the Annual Progress Report. Advertise surplus land opportunities to affordable housing developers, as they become available. Review all City owned sites by the end of Q4 2025 to determine which additional sites could be declared as surplus.
A - 3	By-Right Approval of Projects with 20 Percent Affordable Units on "Reused" RHNA Sites	Pursuant to the statutory requirements of Government Code Sections 65583.2(h) and (i), amend the Zoning Ordinance to require by-right approval of any "reuse" 4th and 5th Cycle sites being used to meet the 6th Cycle RHNA, if 20 percent of the units in the development are affordable to lower-income households.	CDD	General Fund	By end of Q4 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 4	Publicize Residential Sites Inventory	The City shall make the residential sites inventory available to developers by publicizing it on the City website and providing copies of the inventory to developers. The City shall update the list of sites annually, or as projects are approved on the sites. Quantified Objective: Maintain accurate and publicly available residential sites inventory throughout the planning period.	CDD	General Fund	Post on website by end of Q4 2023; update annually.
A - 5	Revise Neighborhood District Policy	The City will revise the Neighborhood District Policy so it does not rely on the Residential Development Ordinance (RDO). Revisions to the policy include: - Studying and adopting an inclusionary housing policy and in-lieu fee for Neighborhood District areas. - Updating the Neighborhood District target densities, consistent with the Gilroy 2040 General Plan. - Adopting standards related to the distribution of units across the levels of affordability (e.g., 30% of the 15% affordable units shall be designated for low income). - Adopting standards related to the term of affordability (e.g., rental units shall be restricted as affordable for a minimum of 55 years).	CDD	General Fund	By end of Q4 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 6	ADU Tracking and Monitoring	Continuously track the number of building permits issued for ADUs. The City will also review geographic distributions of ADUs biennially. If the average ADU production is less than 25 units in years 2023, 2024, and 2025, the City will update the ADU strategy by the end of 2026. In this case, the City will hold a focus group event with local stakeholders in spring or fall 2026. The purpose of the collaborative meeting will be to identify appropriate ADU programs to help increase production. If necessary, the City will identify additional RHNA sites in No Net Loss Inventory, as discussed in Program A - 1. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 15.75 (2018-2021) to an average of approximately 25.	CDD	General Fund	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process. Hold a focus group event with local stakeholders in spring or fall 2026 if average ADU production is less than 25 in years 2023, 2024, and 2025. Identify additional programs or sites within six months of shortfall.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 7	ADU Pre-Designed Plans	The City will develop an ADU program that includes pre designed “model” plans for ADUs that meet zoning and building, and fire codes. The program may be modeled after successful programs implemented in other cities. To inform this effort, the City will work with the Santa Clara County Planning Collaborative and join the ADU Advisory Committee. The Collaborative and Advisory Committee are working on creating a subregional program of pre designed ADU plans and a variety of ADU tools and resources that can be available to all residents and cities in Santa Clara County to encourage ADU production. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018–2021) to an average of approximately 25.	CDD	General Fund	By end of Q4 2024.
A - 8	Financial Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development. This effort will complement Program A-6 (ADU Tracking and Monitoring) The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact Community Development Financial Institutions for potential partnerships.	CDD	In-lieu fees, other applicable affordable housing funding	After program funding is secured and sufficient for the intended purpose. Evaluate the effect of impact fees on ADU development by Q4 end of 2026 if ADU production is lower than anticipated in year 2025

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 9	Monitor Permit Requirements, Processing Procedures, and Land Use Controls	Implement the Land Management System for Tyler Technologies with a "go-live" date in 2023 and hold an outreach meeting to educate users on how to use the new permitting system. To assess the effectiveness of the new Land Management System, the City will survey users six months after its launch. The City will also create metrics that track the time to process permits. These metrics can be compared year-to-year to determine if the City's processes and procedures are efficient or need refinement. As a part of the City's outreach and engagement with developers, the City shall consult builders and other parties engaged in housing development activities to identify potential constraints in the City's permit requirements, processes, procedures, and land use controls and analyze potential streamlining where feasible. Outreach methods will include or be equivalent to the City's annual developer roundtable meeting. Quantified Objective: Increase the percentage of permits that are processed online. Decrease the time it takes to process permits.	CDD	General Fund	Survey six months after "go-live" date. Annual outreach to builders and developers, such as through the City's annual developer's roundtable meetings.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 10	Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow triplexes, and fourplexes to be approved ministerially on corner lots with a minimum 6,000 sf lot size in the R1 and R2 zones (approximately 1,106 lots) so long as the project complies with objective design standards. This Program provides more flexibility than SB 9, by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Update the City's SB 9 policy and website to reflect the changes allowed under this program. Create an informational and promotional pamphlet regarding opportunities to develop triplexes and fourplexes on corner lots in R1 and R2 zones. Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5). Quantified Objective: Increased production and reduced permitting time and cost for triplexes and fourplexes. Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 6th Cycle planning period.	CDD	General Fund	By end of Q4 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 11	Inclusionary Housing Policy	Conduct an inclusionary housing feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market the below market-rate units and accessible/adaptable units. Quantified Objective: Increased production of affordable housing within the City, including housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resource areas of the City.	CDD	General Fund	By end of Q4 2024.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 12	Incentives Beyond Density Bonus State Law	Study and consider adopting an affordable housing incentives policy above and beyond the minimum requirements of density bonus state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate incentives / density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided. Quantified Objective: Increased housing choice and mobility for special needs households.	CDD	General Fund	By end of Q4 2025.
A - 13	Coordination with California High Speed Rail Authority	Continue to coordinate with the California High Speed Rail Authority so that the Station Area Plan includes the development of a mix of affordable and market-rate housing and commuter parking on the parcels associated with the High Speed Rail Station. Quantified Objective: Develop a specific commitment to housing development; set objective targets for the development of affordable and market-rate housing on the High Speed Rail site.	CDD, California High Speed Rail Authority	General Fund	Immediately and throughout the planning period until the Station Area Plan is complete.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 14	Coordination with Santa Clara County Office of Supportive Housing	The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This includes the offer of impact fee waivers through a memorandum of understanding approved by the Gilroy City Council and the County Board of Supervisors in September 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups). Quantified Objective: Development of affordable housing on the 8th and Alexander property by the end of 2028.	CDD, Santa Clara County Office of Supportive Housing	General Fund	Continual partnership throughout the planning period. Anticipated project completion by end of Q4 2028.
A - 15	ADU Ordinance Updates	The City worked in collaboration with the California Department of Housing and Community Development (HCD) on its current ADU ordinance. The City will continue to work with HCD to make necessary changes and ensure compliance with state law. prior to the end of 2023. To incentivize ADU production, the City will increase the allowable floor area from 1,000 square feet to 1,200 square feet. The City will also replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will accelerate and streamline the process for approving ADUs in the City. The City will use the affidavits to track the number of ADUs to ensure they are being built at the assumptions in the Housing Sites and Resources section. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018–2021) to an average of approximately 25 over the 6th Cycle planning period.	CDD	General Fund	By end of Q4 2023.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 16	Senate Bill (SB) 9 Processing	In conjunction with Program A-10 (Facilitate Missing Middle / Middle Income Housing), the City will update its SB 9 webpage to highlight the streamlined process for approving SB 9 applications. The City will also create and post step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy. The Planning Department will hold informational meetings with the building division and engineering/land development division to review the streamlined process to ensure the City complies with state law. Quantified Objective: Process ten (10) SB 9 applications in the 6th Cycle planning period.	CDD	General Fund	By end of Q4 2024.

B. Removal of Government Constraints

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 1	Residential Development Ordinance (RDO) Removal	Repeal the RDO. The growth control measures of the City's RDO have been made null and void by SB 330 (2019). The RDO will be repealed as a part of the City's comprehensive zoning update. Portions of the policy related to affordability requirements may be used as a benchmark for the City's proposed Inclusionary Policy.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, end of Q4 2023.
B - 2	Zoning and General Plan Densities	Amend the Zoning Ordinance to ensure that the Gilroy 2040 General Plan maximum densities are achievable in the implementing zones (Housing Accountability Act/AB 3194). Changes include: - Increasing the maximum density in the R3 (medium density) zone from 16 to 20 dwelling units per acre; - Removing the maximum density in the R4 (high density) zone; - Creating a zoning district for the mixed-use First Street corridor with a density range of 20–30 dwelling units per net acre; and - Creating Neighborhood District High and Neighborhood District Low zoning designations with density allowances that are consistent with the 2040 General Plan.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, end of Q4 2023.
B - 3	Senate Bill (SB) 35 Permit Processing and SB 330 Compliance	Establish and implement expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330. Create checklists and instructions for reviewing and approving SB 35 and SB330 projects. Add information regarding the expedited permit process on the City's website.	CDD	General Fund	By end of Q4 2024.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 4	Public Fees, Standards, and Plans Online	Pursuant to Assembly Bill (AB) 1483, the City will compile all development standards, plans, fees, and nexus studies in an easily accessible online location (also see Program B-8). The City will continue to provide a high-quality, parcel-specific zoning map and General Plan map online.	CDD	General Fund	By end of Q4 2023.
B - 5	Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process; and • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). • Streamlining the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council. Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining, such as AB 2234. Quantified Objective: Decreased permit processing time.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, end of Q4 2023.
B - 6	Objective Standards	Review and revise development standards, design guidelines, and findings to ensure they are objective and facilitate development of properties at their maximum densities.	CDD	General Fund	By end of Q4 2026.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 7	Zoning Ordinance Update	As a part of the 2023 comprehensive Zoning Ordinance update to ensure compliance with the 2040 General Plan and streamline various application processes (Program B – 5), the City will evaluate development standards for all zones including the Downtown Specific Plan zones, for potential governmental constraints. The City will also revise the definition of “townhouse” to be consistent with state law. The City will also amend the Zoning Ordinance to require that any demolished residential units on the Sites Inventory be replaced pursuant to Government Code Section 65583.2(g).	CDD	General Fund	By end of Q4 2023.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 8	Entitlement Roadmap Webpage	To provide clear and simple information about the City's permitting process, the City will create an Entitlement Roadmap webpage that clearly spells out the City's permitting process for residential development. Specifically, the webpage will include application forms, a flow chart outlining the development process, FAQs, and live links to other necessary pages and resources. The webpage will advertise the City's ministerial process for most single-family homes and administrative approval process for many other types of residential development that meet objective development standards. Also see Program B-4.	CDD	General Fund	By end of Q4 2024.
B - 9	Building Department Webpage	To reduce applicant time and cost and increase certainty, the City will update the Building Department webpage to include information required pursuant to AB 2234, including but not limited to specific information required for an application to be considered complete; example of a complete, approved application; and example of a complete set of post-entitlement phase permits for accessory dwelling units, duplexes, multifamily projects, mixed-use projects, and townhomes. Quantified Objective: Updated website by end of Q4 2023.	CDD	General Fund	By end of Q4, 2023.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 10	Zoning Code Annual Updates	California's legislature continues to pass new laws each year to encourage housing production and address the state's severe housing shortage. Under this program, the Community Development Department will establish a process to update City policies, codes and ordinances to comply with new State laws affecting housing and land use. Quantified Objective: Following passage of new state legislation, Community Development Department staff will develop a list of laws that require updates to the City's policies, codes and ordinances.	CDD	General Fund	The City will update City policies, codes and ordinances annually, or as needed to comply with new state laws.
B - 11	General Plan Consistency	For the City's General Plan to serve its purpose effectively, it must be reviewed, maintained, modified as necessary, and implemented in a systematic and consistent manner. Gilroy implements the General Plan through the City's ordinances and regulations, policy decisions, and actions and is responsible for tracking, reporting and evaluating its progress in implementing the General Plan. General Plan consistency will be reviewed as part of the Annual Progress Report, pursuant to Government Code Section 65400. As amendments are made to the General Plan, the City will also review the Housing Element for ongoing consistency.	CDD	General Fund	Consistency between the General Plan and Housing Element will be reviewed as part of the annual progress report prior to April 1 st of each year.

C. Housing Preservation and Rehabilitation

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 1	Monitoring of Units At Risk of Converting to Market Rate	Continue to provide regular monitoring of deed-restricted units that have the potential of converting to market rate. The City currently contracts with HouseKeys to serve as the Below Market Rate (BMR) Program Administrator of the City's below market-rate homeownership and rental property program. The BMR Program Administrator will continue to monitor and evaluate the City's current multi-family affordable housing stock to determine if any developments are at risk of conversion. Together with the BMR Program Administrator, the City will implement strategies to preserve projects identified as being at risk of converting to market-rate housing. Strategies include: • Monitoring affordable housing term expiration status annually. • Notifying property owners annually about compliance with the extended noticing requirement (three year, one-year, and six-month Notice of Intent) under state law. • Including preservation as an eligible use in Notices of Funding Availability. • If below market-rate units appear to be at risk of conversion, work with qualified operators, the California Department of Housing and Community Development (HCD), and the property owners to preserve the housing for lower-income households. • Biennial contact with property owners of affordable units.	CDD and Program Administrator (e.g., HouseKeys)	General Fund	Annually review affordable housing term expirations. Noticing as needed with expiration of covenants.

Number	Title	Action	Responsible Party	Funding Source	Timeline
		• Identification of funding opportunities to purchase and preserve affordable units. • Noticing of tenants and technical assistance with applications for funds. <i>Quantified Objective:</i> Preservation of below market-rate units.			
C - 2	Housing Rehabilitation	To enhance the quality of existing neighborhoods, the City shall continue to utilize Community Development Block Grant (CDBG) funds, as available, to assist in the improvement of substandard housing. For example, the City has provided CDBG grants to the Rebuilding Together Silicon Valley Home Repair, Rehabilitation and Accessibility Modification program, which provides a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low-income homeowners in Gilroy. The City will facilitate Tax Equity and Fiscal Responsibility Act (TEFRA) hearings throughout the planning period to allow for the development and rehabilitation of affordable housing units throughout the City. <i>Quantified Objective:</i> Provide assistance to 100 households. Target 25% in the Racially and Ethnically Concentrated Area of Poverty (R/ECAP) and DTSP area.	CDD	General Fund	Annually evaluate progress and review contract. Following each contract renewal, hold informational meetings to alert the community about the availability of programs such as Rebuilding Together rehabilitation loans.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 3	Code Enforcement Program	Within current staffing limits and AFFH standards, the City shall contact owners of units identified as substandard, offering inspection services and providing information on the Rebuilding Together Program (or similar) and landlord/tenant information and mediation services. Quantified Objective: Provide information regarding the Rebuilding Together (or similar) and landlord/tenant information and mediation services to 240 households.	CDD	General Fund	Ongoing throughout the planning period.
C - 4	Resale Control on Owner-Occupied Below Market-Rate Units	The BMR Program Administrator shall continue to implement resale controls on owner-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained per the terms specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock. Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.
C - 5	Resale Control on Rental Below Market-Rate Units	The BMR Program Administrator shall continue to implement resale controls on renter-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained per the terms specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock. Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 6	Identification and Preservation of At-Risk Units	The City will complete its ongoing effort to create an inventory of BMR units. In the event that the City identifies units with restrictive covenants that expire during the 6th Cycle, the City will ensure that owners of the properties are contacted, encouraged to extend or renew the rent or sales price restrictions. The City will also ensure appropriate advanced notice of conversion to tenants is provided.	CDD	General Fund	By end of Q4 2024.

D. Housing Assistance

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 1	Permanent Local Housing Allocation Fund	The City shall continue to utilize the Permanent Local Housing Allocation (PLHA) Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing. The City contracts with Santa Clara County Office of Supportive Housing to administer the PLHA Fund, which provided \$237,000 in funding each year during the FY 22-23 and FY 23-24 funding periods for homelessness prevention services, fair housing, and basic needs (e.g., meals on wheels). The City shall continue to inform nonprofit organizations of funding availability through the City's website and informational packets at City Hall. Quantified Objectives: Through various eligible funding programs, assist 80 households annually.	CDD	Permanent Local Housing Allocation Fund	The PLHA funds span a 5-year basis. Conduct outreach and allocate funding every two years.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 2	Funding Sources to Assist Homeownership	The City shall pursue potential sources of additional funding for homeownership assistance and inform the public of existing resources, including the availability of State HCD, CalHFA funds, HOME, Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG), and Santa Clara County funds. The City shall improve public outreach activities through conducting workshops and outreach events and the compilation of resources for down payment assistance and other means of acquiring a home. Quantified Objectives: The City will conduct public outreach to inform the community of existing resources, assistance programs, and funding opportunities, and annually pursue funding for down payment assistance and increase awareness as new funding is available.	CDD	General Fund	Conduct public outreach on existing housing resources and pursue funding and conduct research annually.
D - 3	Housing Choice Voucher Referrals	The City shall provide information to City residents on the Santa Clara County Housing Authority Housing Choice Voucher (HCV) program. This information shall also be available on the City website. The City shall notify interested residents and provide technical assistance to residents who need help applying to the Housing Choice Voucher program. The City shall refer residents that experience discrimination based on source of income (including vouchers) to Project Sentinel. Quantified Objective: Assist or refer 40 individuals annually.	CDD	General Fund	Immediately upon opening of HCV waitlist. Technical assistance to residents as needed. Annual education and outreach to landlords.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 4	Pursue Funding for Affordable Housing	The City shall pursue funding from state, federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to: • One Bay Area Grants awarded by ABAG; • HCD Local Housing Trust Fund Program; • US Department of Housing and Urban Development (HUD) Section 811 funding for supportive housing for extremely low-income residents; • The state Infill Infrastructure Grant program, sponsored by HCD; and • The State Multifamily Housing Program, sponsored by HCD. Additionally, the City will consider the use of PLHA funds for eligible activities, including the predevelopment, development, acquisition, rehabilitation, and preservation of affordable housing. The City will meet with affordable housing developers to identify development opportunities, provide support for funding applications, consider incentives and concessions beyond SDBL, and provide priority processing.	CDD	General Fund	Pursue funding sources annually.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 5	Community Development Block Grant Program	The City shall continue to utilize the CDBG Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homelessness assistance, public services, and public improvements. The City shall continue to inform nonprofit organizations of funding availability through the City's website and email distribution lists. The City will advertise funded programs that provide public assistance on its website and through informational brochures at City Hall. The City expects to receive an estimated \$400,000 in CDBG funds from HUD each year. The primary objectives of the CDBG Program include activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need.	CDD	General Fund	Administer funds annually.

E. Special Housing Needs

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 1	Priority Water and Sewer Service for Affordable Housing Developments	Pursuant to Government Code 65589.7, the City will review and update, as necessary, the Water and Sewer Service Priority Policy, and work with public service providers to ensure prioritization of services to housing developments serving lower-income households. This policy is currently in place. The Housing Element will be provided to water and sewer service providers upon adoption.	CDD	General Fund	By end of Q4 2026.
E - 2	Zoning to Encourage and Facilitate Single-Room Occupancy Units	As a part of the comprehensive Zoning Ordinance update, the City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, end of Q4 2023.
E - 3	Emergency Shelter Standards	Amend the Zoning Ordinance to modify the requirements for emergency shelters in compliance with Assembly Bill (AB) 2339, AB 139, and Government Code Section 65583(a)(4). The City will modify its Zoning Ordinance to ensure that emergency shelters are allowed by right in the City's R4 zone and First Street mixed-use corridor. Pursuant to AB 2339, emergency shelters and other interim interventions, including but not limited to a navigation center, bridge housing, and respite or recuperative care, will not require a conditional use permit or any other discretionary permit in zones designated for emergency shelters. The Zoning Ordinance will be revised to set parking requirements based on staff levels only and remove subjective development and operational standards.	CDD	General Fund	At the time of Housing Element adoption.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 4	Low Barrier Navigation Centers	Pursuant to Senate Bill (SB) 48 and AB 2339, amend the Zoning Ordinance to allow low-barrier navigation centers, meeting specific objective requirements, by-right in areas zoned for nonresidential uses, including mixed-use zones and multifamily zones.	CDD	General Fund	By end of Q4 2023.
E - 5	Incentivize Micro-Units	Ensure that provisions for efficiency units are consistent with AB 352 (2017), concurrent with the comprehensive Zoning Ordinance update by the end of Q4 2023. Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-unit development, by the end of 2025.	CDD	General Fund	By end of Q4 2023 and 2025.
E - 6	Reduced Parking Requirements for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing are appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing. The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within 0.5 miles of public transit.	CDD	General Fund	By end of Q4 2026.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 7	Development and Conservation of Housing for Farmworkers	In 2022, the City partnered with the Santa Clara County Office of Supportive Housing, to facilitate lower-income housing on a County owned property by waiving development impact fees for the project. The City shall continue to partner with the Santa Clara County Office of Supportive Housing and various nonprofit organizations to explore and implement ways of providing affordable farmworker housing, including identification of state and federal funding opportunities. At least once a year, the City will forward information about surplus City-owned land and other development opportunities to the Santa Clara County Office of Supportive Housing, affordable housing developers, and service providers who may be interested in developing more farmworker housing in Gilroy. The City will also provide this information at the annual developer roundtable and to individuals on the housing developer list, created through Program G - 1 Quantified Objective: Preserve and maintain the 3 farmworker housing developments (56 units) located in Gilroy.	CDD	General Fund	Ongoing throughout the planning period.
E - 8	Consistency with the Employee Housing Act	As a part of the 2023 comprehensive Zoning Ordinance update, the City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code Section 17021). This act generally requires by-right approval of employee housing for agricultural employees (i.e., farmworker housing) as follows: Less than six persons, by-right in all zones allowing single-family residential uses; No more than 12 units or 36 beds, by-right in all zones allowing agricultural uses.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, end of Q4 2023.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 9	Priority for Gilroy	The City will develop a system to prioritize occupancy of affordable for-sale and for-rent units in Gilroy for income-eligible Gilroy residents and/or individuals working in the City of Gilroy, who originate in the City of Gilroy. The City will determine how to weigh specific factors and develop a process for priority tenure, while affirmatively furthering fair housing.	CDD	General Fund	By end of Q4 2024.
E - 10	Development and Rehabilitation of Housing for Persons with Disabilities	As part of the 2023 comprehensive Zoning Code update, the City will evaluate reasonable accommodation standards and procedures and the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones. The City will revise, as necessary, regulations that act as potential constraints to accommodating persons with disabilities.	CDD	General Fund	By end of Q4 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 11	Housing for Extremely Low Income and Special Needs Households	The City will facilitate and support affordable housing by meeting with potential affordable housing developers and homeless service providers to identify development opportunities, provide site information, assist in the entitlement processes, and consider on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards. As included in Program G - 1, the City will conduct proactive outreach to specifically include developers of housing for special needs and low-income households in the annual developer roundtable. Additionally, the City will pursue funding sources, such as use of PLHA funds, to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities, including developmental disabilities. The City will consider using PLHA funding for eligible activities, including the predevelopment, development, acquisition, rehabilitation and preservation of affordable housing. Quantified Objective: Outreach to affordable housing developers at least bi-annually (4 times over the planning period) when PLHA funds become available.	CDD	General Fund, PLHA funding	As applications are received. Annual developer roundtable. Pursue funding sources as they are made available.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 12	Downtown Expansion District and First Street Mixed-Use Corridor Flexibility	The City will develop a process to allow 100% residential projects in the Downtown Expansion District. The City will also create a process that allows flexibility in the type of non-residential uses allowed in the new First Street Mixed-Use Corridor such as supporting amenities, facilities or services, subject to certain criteria. In exchange for this flexibility, the City may require that a certain percentage of units are dedicated to extremely low-income households, farmworkers, persons with disabilities, or other identified groups. The intent of this program is to facilitate and encourage housing for extremely low income and special needs households. Quantified Objective: Adopted zoning amendments. Facilitation of 100 units using the adopted process in the planning period.	CDD	General Fund	Amendments by end of Q4 2025
E - 13	Permanent Supportive Housing	As part of the 2023 Comprehensive Zoning Code update, the City will amend the code to allow supportive housing uses by-right in zones where multi-family and mixed-uses are permitted, consistent with Government Code Section 65651	CDD	General Fund	By end of Q4 2023.

F. Affirmatively Furthering Fair Housing

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 1	Source of Income Protection	Coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility. Quantified Objective: Outreach to 50 landlords or tenants annually.	CDD	General Fund	Informational outreach by end of Q4 2024. Annual education and outreach to landlords and tenants.
F - 2	Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. Quantified Objective: Work with Fair Housing Provider to track number of households assisted in Gilroy annually. Provide information to 30 households annually.	CDD	General Fund	Annual or biennial award of funds. Provision of pamphlets by end of Q4 2024.

Goals, Policies, and Programs

F - 3	Place-Based Improvements in Downtown Gilroy	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: - As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. - As a part of downtown revitalization, the City will construct a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. - As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) - As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy. - The Downtown Façade Improvement and Blight Removal Program, which includes	CDD, Public Works	General Fund	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space will be complete by the end of May 2023.
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Number	Title	Action	Responsible Party	Funding Source	Timeline
		providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City. • The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets			

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 4	Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: • Allow triplexes and quadplexes that meet objective design standards to be approved ministerially on corner lots in the R1 and R2 zones (Program A-10). • Adopt an inclusionary housing policy (Program A-11) • Adopt a incentives beyond density bonus state law policy to include incentives for special needs households (Program A-12)	CDD	General Fund	By end of Q4 2025.
F - 5	Displacement Prevention Policy	Adopt a displacement prevention policy. Organize a focus group of organizations with experience in displacement prevention policies (e.g., SV@Home) and complete an analysis of best practices in jurisdictions that are similar to Gilroy. Measures that are being considered for inclusion in the policy are “tenant option to purchase agreements” for redevelopment projects meeting specified thresholds, a just cause eviction ordinance, and relocation agreements. Through Program B-7, the City will amend the Zoning Ordinance to require that any demolished residential units on the Sites Inventory be replaced pursuant to Government Code Section 65583.2(g).	CDD	General Fund	Hold focus group and complete analysis by end of Q4 2025. Adopt policy by end of Q4 2026.

G. Education and Outreach

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 1	Collaboration with Development Community	The City shall continue to cultivate new and existing relationships, throughout the planning period, with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development. Invite affordable housing developers and developers of housing for special needs households to the annual developer roundtable meeting. The City will create a list of housing developers, including developers of affordable and special needs housing. The list will be used for the annual developer roundtable (or equivalent), and to advertise development opportunities, funding opportunities, and other educational and engagement efforts in the City. Quantified Objective: Host an annual developer roundtable (or equivalent) meeting. Participation of at least four developers of affordable and special needs housing in the annual meeting.	CDD	General Fund	Annual developer roundtable meeting. Creation of developer interest list by end of Q4 2024.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 2	Community Outreach and Inclusion in the Decision Making Process	To implement Goal EJ 1 from the City's 2040 General Plan Environmental Justice Element, the City will encourage involvement of all Gilroy neighborhoods in the public decision-making process through the use of various methods of delivery, such as print media, mailers, web-based information, accessible meetings, <u>pop-up events</u>, and other methods that consider economic and cultural considerations unique to the City of Gilroy. Provide all pamphlets and communications in English and Spanish <i>Geographic Targeting:</i> R/ECAP and Downtown Specific Plan area	CDD	General Fund	Ongoing throughout General Plan implementation.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 3	ADU Education	Develop and implement a comprehensive marketing program to advertise the benefits of ADUs and the process for constructing ADUs. The City will provide educational pamphlets on the City website and at City Hall with detailed information on the ADU process as well as basic responsibilities and legal requirements of being a landlord. The pamphlets will be provided in both English and Spanish. The City will consolidate its two ADU webpages into a single page that has all relevant information for ADUs. The City will focus outreach and education in the higher opportunity areas of the City to expand housing mobility and choice. Upon biennial review of geographic ADU distribution, the City will review and adjust promotion and outreach strategies to ensure ADUs are being marketed in high resource areas that are seeing less ADU construction. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.	CDD	General Plan	Develop marketing plan by end of Q2 2024; implement marketing program by end of Q4 2025. Biennial review of ADU geographic distribution. ADU webpage consolidation by the end of Q4 2024.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 4	Increased Outreach in Downtown Areas	To implement Policies EJ 1.3 and EJ 1.5 from the City's 2040 General Plan Environmental Justice Element, the City will consult with local community leaders in the Downtown Specific Plan Area to ensure community priorities are being addressed. The City will consider the viewpoints and concerns of all neighborhoods within Gilroy when drafting the High Speed Rail Station Area Plan and when updating the Downtown Specific Plan. Geographic Target: R/ECAP and Downtown Specific Plan area	CDD	General Fund	Upon receiving funding and availability of adequate staffing resources to complete these area plans.

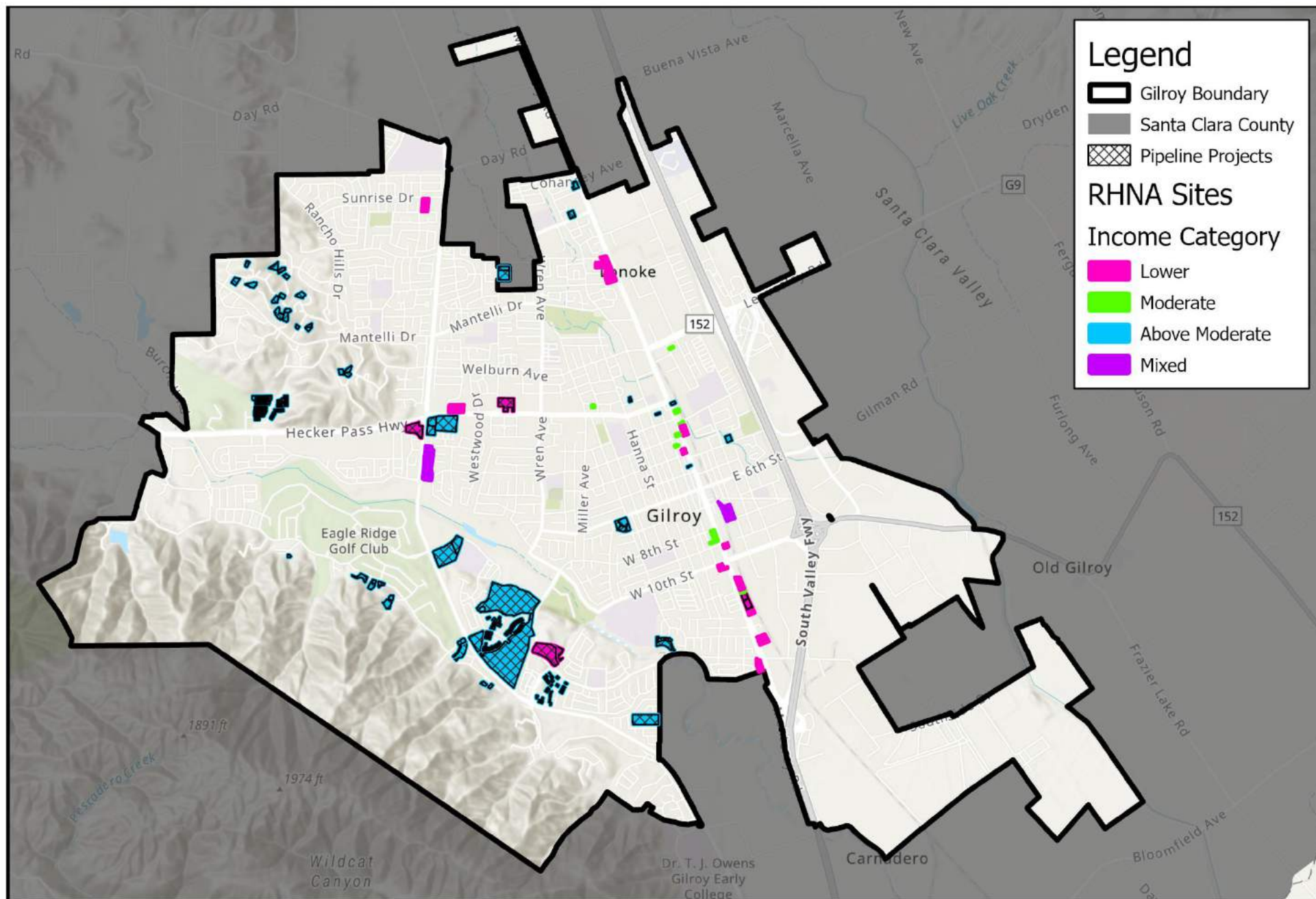
Goals, Policies, and Programs

G - 5	Housing Outreach and Information	The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as: • Conducting workshops and webinars by partnering with community-based organizations to inform residents of housing resources, assistance programs, and funding opportunities, on a monthly basis on average. • Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. • Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. • Coordinating with the City's Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area. Geographic Targeting: Annual housing event in the DTSP area. Quantified Objective: Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually.	CDD	General Fund	Update the City website with housing information as new resources become available. Annual housing event in the DTSP area. Conduct community outreach workshops on housing resources on a monthly basis on average.
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Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 6	Unhoused Population Education and Outreach	The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population. Specifically, the program will include: • Creation of a dedicated webpage with information on unhoused resources and efforts. • Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. • Gathering information on resources that exist in the City and County for the unhoused population and promote the information at City Hall and on the City's website. This information will also be provided through the various outreach methods in Program G - 5. • Revamping the unhoused service providers network which consists of monthly meetings with direct unhoused service providers in the City. The network serves to increase collaboration and partnership among service providers and the City, to connect the unhoused with services. The monthly meetings serve to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts. Quantified Objective: Minimum of 3 medium of outreach. Scheduled service provider meetings throughout the planning period.	CDD	General Fund	By end of Q4 2025; monthly (or as scheduled) meetings of the unhoused service providers network.

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 7	Bilingual Engagement	Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5. In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.	CDD	General Fund	Immediately upon adoption of the Housing Element.
G - 8	Help Center Webpage	In partnership with local nonprofit organizations, the City will develop a Housing Help Center webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid. This webpage will consolidate existing information on the City's website with additional information provided by local service providers to best serve the needs of the Gilroy community. <i>Quantified Objective:</i> The City will advertise the Housing Help Center to at least 100 residents each year through the City's community outreach efforts.	CDD	General Fund	By end of Q4 2024

APPENDIX A: SITES INVENTORY MAP



APPENDIX B: SITES INVENTORY LIST

Table 90: Opportunity Sites

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 20 050	880 Sunrise Dr	95020	1.98	PF	Low Density	15	0	21	0	0	0	21	74 Pub,Buildings,Public	Yes	Yes	No	No	Opportunity Site
790 14 025	8955 Monterey Rd	95020	2.05	R4	High Density	30	0	49	0	0	0	49	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 14 075	8915 Monterey Rd	95020	0.74	R4	High Density	30	0	18	0	0	0	18	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 14 091	8985 Monterey Rd	95020	0.80	R4	High Density	30	0	19	0	0	0	19	62 Ins,Childcare,Preschl,Adult Daycare	Yes	No	Yes	Yes	Opportunity Site
790 15 036	8877 Monterey Rd	95020	1.21	R4	General Services Commercial	30	0	29	0	0	0	29	69 Vacant,Urban	Yes	No	Yes	Yes	Opportunity Site
790 15 041	8897 Monterey Rd	95020	0.95	R4	General Services Commercial	30	0	23	0	0	0	23	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 32 052	620 Broadway	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 053	622 Broadway	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 054	626 Broadway St	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 055	624 Broadway St	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 39 019	1375 First St	95020	0.97	C3	Mixed Use Corridor High	30	0	20	0	0	0	20	69 Vacant,Urban	Yes	No	Yes	No	Opportunity Site
790 39 020	1395 First Street	95020	0.97	C3	Mixed Use Corridor High	30	0	20	0	0	0	20	59 Pro,Offices,Banks And Clinics	Yes	No	No	No	Opportunity Site
790 39 029	1335 First St	95020	0.55	C3	Mixed Use Corridor High	30	0	12	0	0	0	12	59 Pro,Offices,Banks And Clinics	Yes	No	No	No	Opportunity Site
790 39 030	1355 First St	95020	0.49	C3	Mixed Use Corridor High	30	0	10	0	0	0	10	69 Vacant,Urban	Yes	No	No	No	Opportunity Site

⁴³ The APN is the most accurate representation of the location of these sites. Addresses are the addresses connected to each APN from the Assessor's portal.

⁴⁴ The sites inventory does not include sites for the Above Moderate income category as the RHNA has already been exceeded by pending projects.

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
799 03 054	7733 Monterey Rd	95020	0.10	DED	Downtown Specific Plan Area	30	0	0	0	3	0	3	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 03 055	7711 Monterey Rd	95020	0.20	DED	Downtown Specific Plan Area	30	0	0	0	6	0	6	04 Res,5 Or More Family Units	Yes	No	No	No	Opportunity Site
799 04 008	7601 Monterey Rd	95020	0.51	DHD	Downtown Specific Plan Area	30	0	15	0	0	0	15	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 04 016	7660 Egleberry St	95020	0.18	DED	Downtown Specific Plan Area	30	0	0	0	5	0	5	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 10 033	7191 Monterey St	95020	0.34	DED	Downtown Specific Plan Area	30	0	0	0	10	0	10	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 10 034	7161 Monterey St	95020	0.32	DED	Downtown Specific Plan Area	30	0	0	0	10	0	10	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 10 042	Egleberry Street (east side), north of W Ninth St	95020	0.16	TD	Downtown Specific Plan Area	20	0	0	0	2	0	2	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 10 048	Monterey St. (west side), north of W Ninth St	95020	0.30	DED	Downtown Specific Plan Area	30	0	0	0	9	0	9	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
799 10 049	7121 Monterey St	95020	0.36	DED	Downtown Specific Plan Area	30	0	0	0	11	0	11	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 34 036	80 W Tenth St	95020	0.89	DED	Downtown Specific Plan Area	30	0	27	0	0	0	27	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
808 01 024	Located at intersection of Santa Teresa Blvd and Third St	95020	7.22	R4	High Density	30	0	142	0	31	0	173	69 Vacant,Urban	Yes	No	No	Yes	Opportunity Site
808 21 009	10 W Luchessa Ave	95020	0.57	ND	Neighborhood District	30	0	12	0	0	0	12	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
808 49 078	Monterey Rd (west side), south	95020c	0.92	ND	Neighborhood District	30	0	19	0	0	0	19	91 Agr,Orchard	Yes	No	No	No	Opportunity Site

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
	of Luchessa Ave																	
841 01 064	Swanston Lane (east side), south of Leavesley Rd	95020	0.17	R3	Medium Density	20	0	0	0	2	0	2	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
841 02 058	7840 Monterey Rd	95020	0.43	DED	Downtown Specific Plan Area	30	0	0	0	13	0	13	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
841 04 018	7700 Monterey Rd	95020	0.61	DED	Downtown Specific Plan Area	30	0	18	0	0	0	18	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
841 04 019	7760 Monterey Rd	95020	0.70	DED	Downtown Specific Plan Area	30	0	21	0	0	0	21	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
841 04 020	7780 Monterey Rd	95020	0.44	DED	Downtown Specific Plan Area	30	0	0	0	13	0	13	86 Vacant,Public Uses	Yes	Yes	No	No	Opportunity Site
841 13 022	Alexander St (west side), south of Old Gilroy	95020	3.62	CD	Downtown Specific Plan Area	40	0	50	0	50	0	100	43 Tra,Transportation,Railroad	Yes	No	No	No	Opportunity Site
841 14 001	Monterey St., south of Ninth St	95020	0.55	DED	Downtown Specific Plan Area	30	0	16	0	0	0	16	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
841 14 006	6790 Monterey Rd	95020	0.39	GD	Downtown Specific Plan Area	30	0	0	0	9	0	9	58 Com,Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
841 14 015	6320 Monterey Rd	95020	0.55	GD	Downtown Specific Plan Area	30	1	12	0	0	0	12	01 Res,Single Family Residence	Yes	No	No	No	Opportunity Site
841 14 036	6470 Monterey Rd	95020	0.74	GD	Downtown Specific Plan Area	30	0	18	0	0	0	18	29 Mfg,Petroleum Products	Yes	No	No	No	Opportunity Site
841 14 037	6380 Monterey Rd	95020	0.77	GD	Downtown Specific Plan Area	30	0	18	0	0	0	18	10 Ind,Lumber & Other Bldg Materials	Yes	No	No	No	Opportunity Site
841 14 081	6620 Monterey Rd	95020	0.53	GD	Downtown Specific Plan Area	30	0	13	0	0	0	13	16 Ind,Non-Mfg,Combo Mfg & Non-Mfg	Yes	No	No	No	Opportunity Site
841 14 083	6920 Monterey Rd	95020	1.69	DED	Downtown Specific Plan Area	30	0	51	0	0	0	51	11 Ind,Warehousing,Public	Yes	No	No	No	Opportunity Site

Table 91: Pipeline Project Sites

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 03 073	8340 Wintergreen Court	95020	0.56	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 03 074	8350 Winter Green Court	95020	0.63	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 03 081	8341 Winter Green Court	95020	0.61	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 04 023	Hecker Pass And Autumn Way	95020	22.4	Hecker Pass Special District	Hecker Pass Special District	-	-		-	-	-	72	72	-	Yes	No	No	No	Pipeline Project
783 52 032	8745 Wild Iris Drive	95020	0.29	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 52 050	1975 Saffron Court	95020	0.91	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 64 022	2331 Hoya Lane	95020	0.41	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 65 022	2354 Banyan Ct	95020	0.90	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 72 012	1870 Carob Court	95020	0.91	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 72 017	1820 Carob Court	95020	0.64	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 72 020	9145 Tea Tree Wy	95020	0.51	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 72 033	8971 Tea Tree Way	95020	0.57	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 72 036	8955 Mimosa Ct.	95020	1.39	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 72 055	2282 Gunnera Ct	95020	0.82	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 72 027	9025 Mimosa Court	95020	0.54	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 72 038	9005 Mimosa Court	95020	0.72	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 72 035	8950 Mimosa Court	95020	1.11	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project

⁴⁵ Projects consisting of multiple Consolidated parcels are noted here, with all parcels from the same project being listed with the same corresponding letter. The total units assigned to these consolidated projects are only listed in the first APN for that project.

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 52 032	8745 Wild Iris Drive	95020	0.29	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
790 07 007	95 Farrell Avenue	95020	0.90	C1	Low Density Residential	-	-		-	-	-	4	4	-	Yes	No	No	No	Pipeline Project
790 17 002	9130 Kern Avenue	95020	2.54	R3	Neighborhood District	20	-	C	-	-	-	29	29	-	Yes	No	No	No	Pipeline Project
790 17 003	9160 Kern Avenue	95020	1.00	R3	Neighborhood District	20	-	C	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
790 21 041	975 First Street	95020	3.82	C3	High Density Residential	-	-		36	89	1	-	120	-	Yes	No	Yes	Yes	Pipeline Project
790 35 053	307 Gurries Drive	95020	0.23	R3	Medium Density Residential	20	-	D	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
790 35 054	308 Gurries Drive	95020	0.04	R3	Medium Density Residential	20	-	D	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
790 66 057	108 Chickadee Lane	95020	0.84	C1	Neighborhood District	-	-		-	-	-	12	12	-	Yes	No	No	No	Pipeline Project
799 01 058	7851 Egleberry Street	95020	0.18	R2	Downtown Specific Plan Area	10	1		-	-	-	-	-	-	Yes	No	No	No	Pipeline Project
799 06 049	7533 Monterey Road	95020	0.12	HD	Downtown Specific Plan Area	-	-		-	-	-	3	3	-	Yes	No	No	No	Pipeline Project
799 26 033	700 W 6th Street	95020	1.51	PO	Low Density Residential	-	-	A	-	-	-	19	19	-	Yes	No	No	No	Pipeline Project
799 26 037	701 W 6th Street	95020	0.67	R1	Low Density Residential	1	-	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 26 049	702 W 6th Street	95020	0.74	R1	Low Density Residential	1	-	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 26 050	703 W 6th Street	95020	0.10	R1	Low Density Residential	1	-	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 26 051	704 W 6th Street	95020	0.58	R1	Low Density Residential	1	-	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 26 052	705 W 6th Street	95020	0.08	R1	Low Density Residential	1	-	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 35 053	305 Gurries	95020	2.28	R-3	Medium Density Residential	-	-		-	-	-	2	2	-	Yes	No	No	No	Pipeline Project
799 44 093	Intersection of Filbro Dr and Royal Way, adjacent to 6695 Filbro Dr	95020	0.23	R3	Medium Density Residential	20	-	B	-	-	-	45	45	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
799 44 094	Intersection of Filbro Dr and Royal Way	95020	0.28	R3	Medium Density Residential	20	-	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 095	Royal Way, South of 6690 Filbro Dr	95020	0.19	R3	Medium Density Residential	20	-	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 096	Royal Way, South of 6685 Filbro Dr	95020	0.18	R3	Medium Density Residential	20	-	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 097	Intersection of Royal Way and Imperial Dr	95020	0.19	R3	Medium Density Residential	20	-	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 098	Intersection of Royal Way and Imperial Dr, adjacent to 6670 Imperial Dr	95020	0.21	R3	Medium Density Residential	20	-	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 101	Royal Way, West of 711 Antonio Ct	95020	0.00	R3	Low Density Residential	20	-	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 109	Royal Way, West of 711 Antonio Ct	95020	1.92	R3	Medium Density Residential	20	-	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 110	321 W Luchessa Ave	95020	0.24	R3	Low Density Residential	20	-	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 01 021	1410 First St	95020	7.60	R3	High Density Residential	20	-	G	-	-	-	202	202	-	Yes	No	No	No	Pipeline Project
808 01 022	7890 Santa Teresa Blvd	95020	1.67	R3	High Density Residential	20	-	G	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 01 023	1490 First St	95020	1.57	R4	High Density Residential	30	-	G	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 19 023	NW of the intersection of Miller Ave and W. Luchessa Ave	95020	7.60	OS	Glen Loma Ranch	-	-		-	152	-	-	152	-	Yes	No	No	No	Pipeline Project
808 57 007	1265 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 008	1255 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 021	1290 Hernandez Wy	95020	0.07	Glen Loma	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Ranch Special District															
808 57 022	1300 Hernandez Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 025	1285 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 026	1275 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 030	1235 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 031	1225 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 039	1270 Qualteri Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 040	1290 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 041	1300 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 042	1310 Qualteri Wy	95020	0.07	Glen Loma Ranch	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District															
808 57 043	1320 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	8J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 044	1330 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 045	1340 Qualteri Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 046	6435 Juristac Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 049	6465 Juristac Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 050	6480 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 053	6450 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 054	6440 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 055	6430 Godani St	95020	0.10	Glen Loma Ranch	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District															
808 57 056	6420 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 057	6410 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 070	1305 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 072	1285 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 078	1225 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 084	1240 Mirassou Ln	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 089	1290 Mirassou Ln	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 093	1330 Mirassou Ln	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 098	6390 Carsey Wy	95020	0.10	Glen Loma Ranch	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District															
808 57 099	6380 Carsey Wy	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 100	6370 Carsey Wy	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 106	1235 Mirassou Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 112	1240 Bouret Ct	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch	-	-	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 18 031	North Of Santa Teresa, East Of Syrah Dr, And West Of Miller Ave.	95020	31.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	-	-	-	172	172	-	Yes	No	No	No	Pipeline Project
808 60 071	6811 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 072	6821 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 073	6831 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 074	6841 Vintner	95020	0.11	Glen Loma Ranch	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District															
808 60 075	6851 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 076	6861 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 077	6871 Vintner	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 078	6881 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 079	6891 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 080	6901 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 081	6911 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 001	7001 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 002	7011 Vintner	95020	0.11	Glen Loma Ranch	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District															
808 61 003	7021 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 004	7031 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 005	7041 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 006	7051 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 007	7061 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 008	7071 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 009	7081 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 010	7091 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 011	7101 Vintner	95020	0.13	Glen Loma Ranch	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District															
808 61 012	7111 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 013	7121 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 014	7131 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 015	7141 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 016	7100 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 017	7090 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 018	7080 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 019	7070 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 020	7060 Vintner	95020	0.15	Glen Loma Ranch	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District															
808 61 021	7050 Vintner	95020	0.17	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 022	7040 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 023	7030 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 069	1470 Vinador Pl	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 037	1495 Winzer Pl	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 038	1485 Winzer Pl	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 036	1505 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 039	1475 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 054	1450 Winzer Pl	95020	0.11	Glen Loma Ranch	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District															
808 60 055	1460 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 056	1470 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 057	1480 Winzer Pl	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 015	1575 Hurka Wy	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 003	1490 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 004	1500 Hurka Wy	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 019	1535 Hurka Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 020	1525 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 021	1515 Hurka Wy	95020	0.13	Glen Loma Ranch	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Special District															
808 60 022	1505 Hurka Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 027	1540 Sawana Wy	95020	0.18	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 024	1510 Sawana Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 026	1530 Sawana Wy	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 034	1525 Sawana Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 58 005	GLR Specific Plan; Northeast Of Santa Teresa & West Of Miller	95020	36.92	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-		-	-	-	34	34	-	Yes	No	No	No	Pipeline Project
808 43 002	NE of Santa Teresa Blvd S of Club Dr	95020	8.83	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	-		-	-	-	59	59	-	Yes	No	No	No	Pipeline Project
808 39 066	6151 Thomas Road	95020	6.32	R1	Low Density Residential	1	-		-	-	-	14	14	-	Yes	No	No	Yes	Pipeline Project
808 43 003	Club Drive, North Of Santa Teresa Drive	95020	2.79	Glen Loma Ranch Special District	Glen Loma Ranch	-	-		-	-	-	4	4	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 52 019	8772 Foxglove Court	95020	0.40	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 52 018	8762 Foxglove Court	95020	0.35	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 55 008	7430 Sunningdale Way	95020	0.23	R1	Hillside Residential	1	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 56 012	7201 Eagle Ridge Drive	95020	0.57	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 56 014	7221 Eagle Ridge Drive	95020	0.25	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 56 015	7231 Eagle Ridge Dr	95020	0.92	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 57 024	2031 Portmarnock Way	95020	1.34	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 57 029	2030 Portmarnock Way	95020	0.43	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 59 997	SW Of Santa Teresa, S Of Ballybunion/S.Teresa	95020	1.18	Hecker Pass Special District	Medium Density Residential	-	-		-	-	-	6	6	-	Yes	No	No	No	Pipeline Project
810 66 012	1520 Hecker Pass Highway	95020	3.81	RH	Hillside Residential	0.5	-		20	79	1	-	100	-	Yes	No	No	No	Pipeline Project
810 72 022	6545 Eagle Ridge	95020	0.29	RH	Hillside Residential	0.5	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 72 026	6585 Eagle Ridge Court	95020	0.44	PF	Downtown Specific Plan Area	1	-		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
841 02 009	7888 Monterey Road	95020	0.30	R3	Low Density Residential	20	-		-	-	-	12	12	-	Yes	No	No	No	Pipeline Project
841 03 062	395 Lewis Street	95020	0.92	R1	Low Density Residential	-	-		-	-	-	4	4	-	Yes	No	No	No	Pipeline Project
841 14 007	6730 Monterey Road	95020	1.01	GD	Downtown Specific Plan Area	-	-	K	20	73	1	-	94	-	Yes	No	No	No	Pipeline Project
841 14 008	6680 Monterey Road	95020	1.41	GD	Downtown Specific Plan Area	-	-	K	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
841 14 009	6630 Monterey Road	95020	0.47	GD	Downtown Specific Plan Area	-	-	K	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APPENDIX C: OUTREACH

September 8, 2022

Survey results for the City of Gilroy as of September 8, 2022

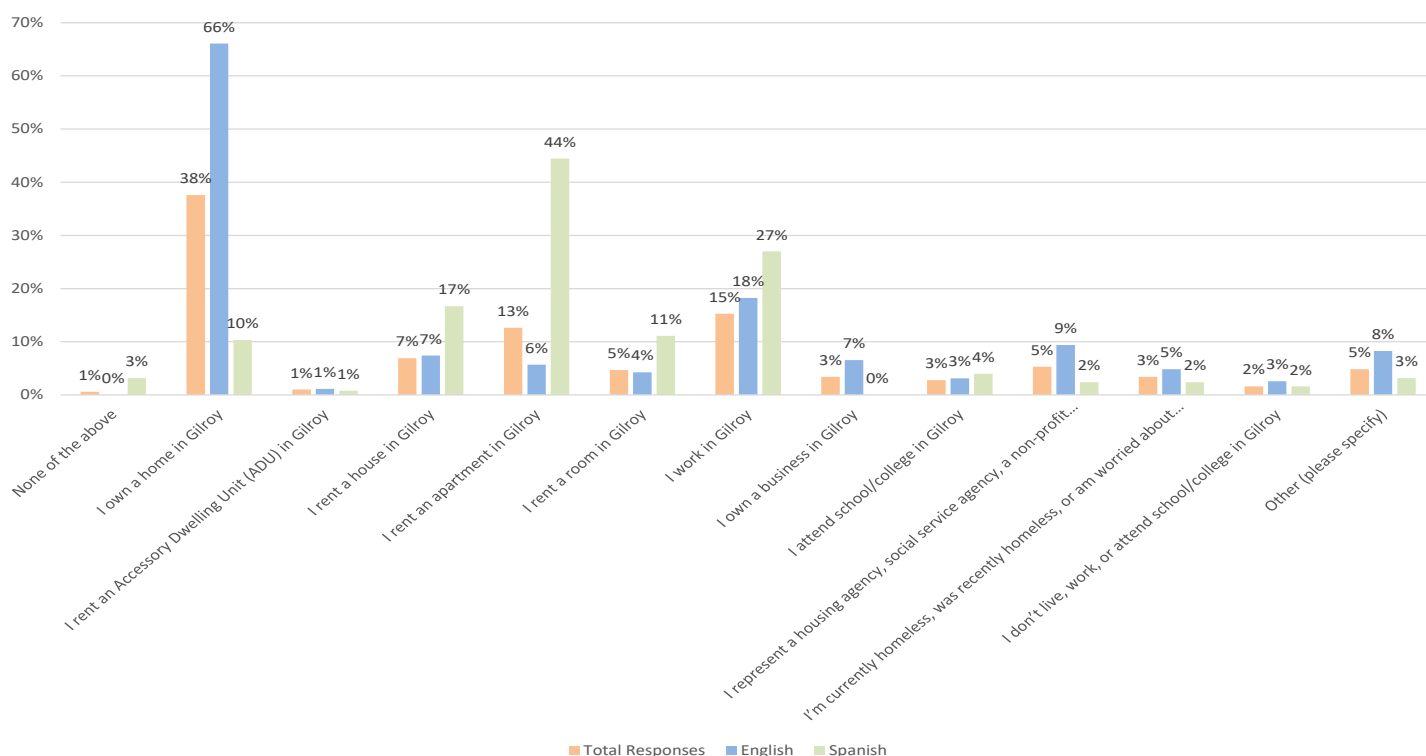
- English Responses: 367
- Spanish Responses: 143
- Total Responses: 510

Q1. Please identify your relationship with the City of Gilroy. (Choose all that may apply)

Total: Answers = 506; Skipped = 4

English: Answered = 366; Skipped = 1

Spanish: Answered = 140; Skipped = 3

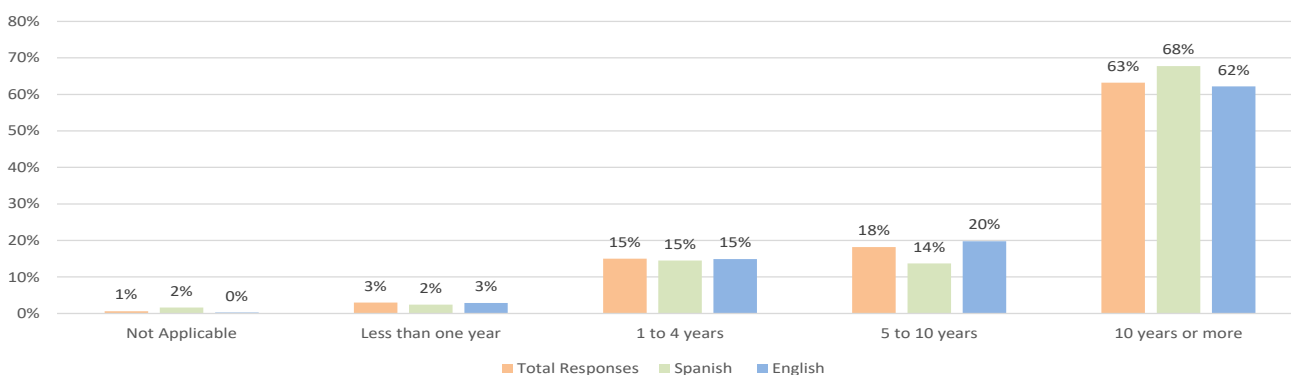


Q2. How long have you associated yourself with Gilroy?

Total: Answers = 500; Skipped = 10

English: Answered = 363; Skipped = 4

Spanish: Answered = 137; Skipped = 6

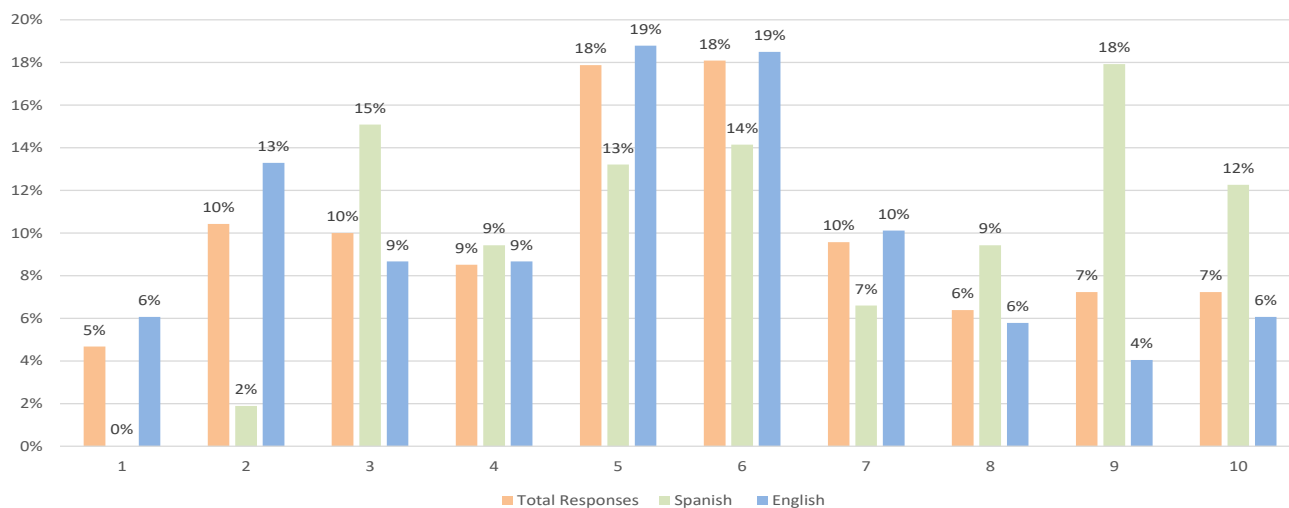
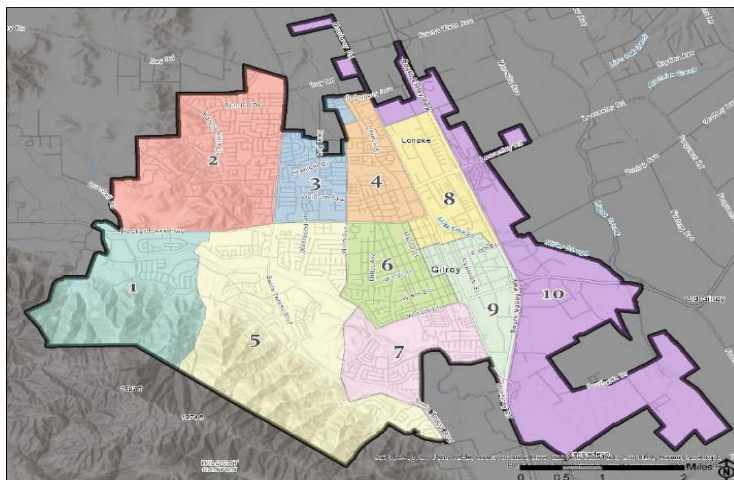


Q3. Based on the map above, please indicate in which part of Gilroy you live, work, or spend the most your time in. (Select one)

Total: Answers = 497; Skipped = 29

English: Answered = 360; Skipped = 7

Spanish: Answered = 120; Skipped = 23

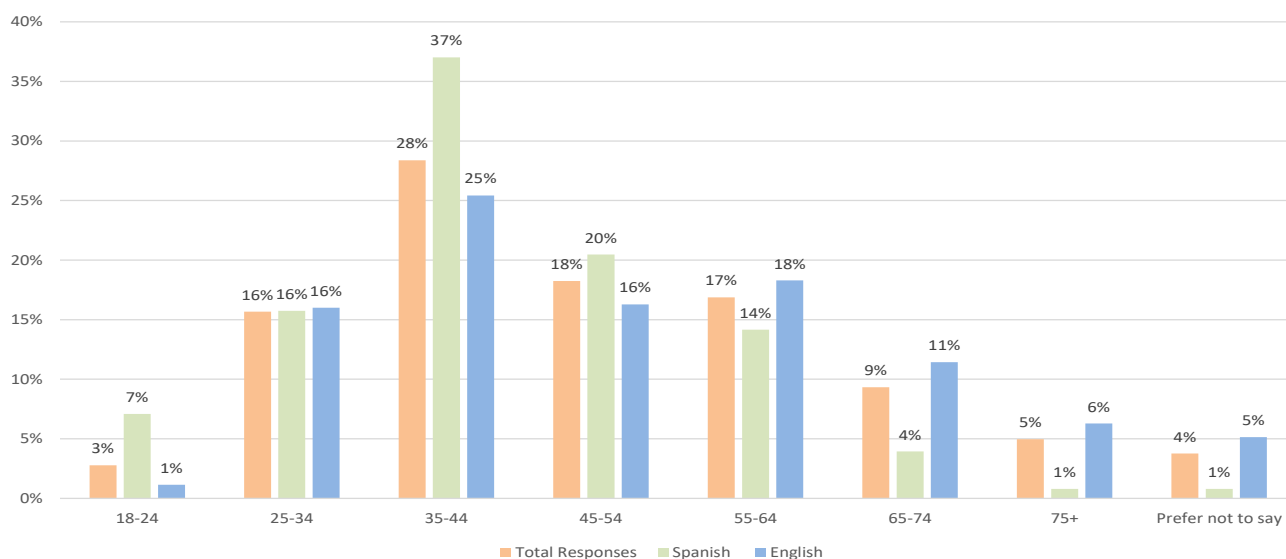


Q4. Please share your age.

Total: Answers = 504; Skipped = 6

English: Answered = 363; Skipped = 4

Spanish: Answered = 141; Skipped = 2

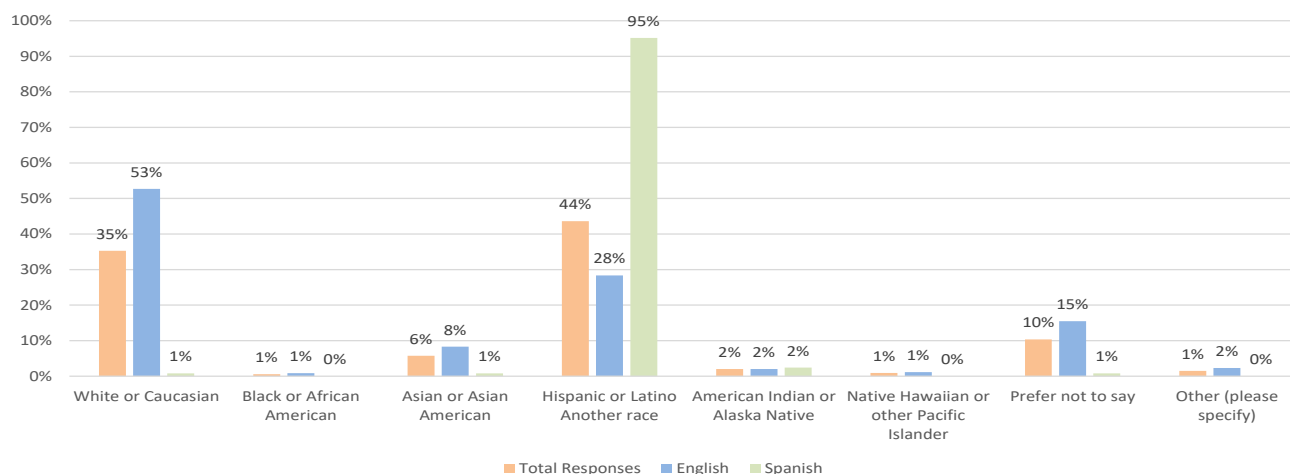


Q5. Please share your race/ethnicity. (Choose all that apply)

Total: Answers = 501; Skipped = 9

English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5



English Responses

- White/Mexican
- American
- Mexican/German
- Asian Indian
- White/Hispanic
- American
- Mixed
- Southeast Asian

Q6. Please specify the primary language and any other secondary languages spoken in your household:

Total: Answers = 491; Skipped = 19

English: Answered = 357; Skipped = 10

Primary Language: English 338, Spanish 17, Chinese 1, Thai 1

Secondary Language: Ahmaric 1, English 23, Filipino 1, French 2, Hindi 1, Italian 1, Kutchi 1, Portuguese 1, Punjabi 1, Spanish 72, Tagalog 1, Thai 1, Urdu 1, Vietnamese 1

Spanish: Answered = 134; Skipped = 9

Primary Language: English 13, Spanish 120, Amuzgo 1

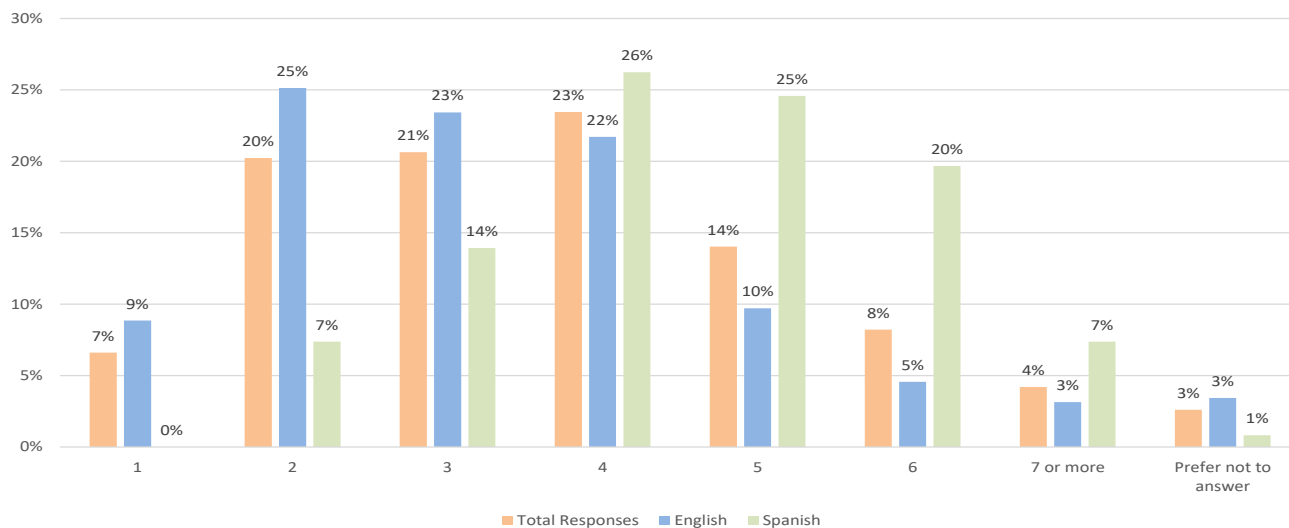
Secondary Language: English 54, Spanish 13

Q7. How many people including yourself live in your household?

Total: Answers = 499; Skipped = 11

English: Answered = 364; Skipped = 3

Spanish: Answered = 135; Skipped = 8

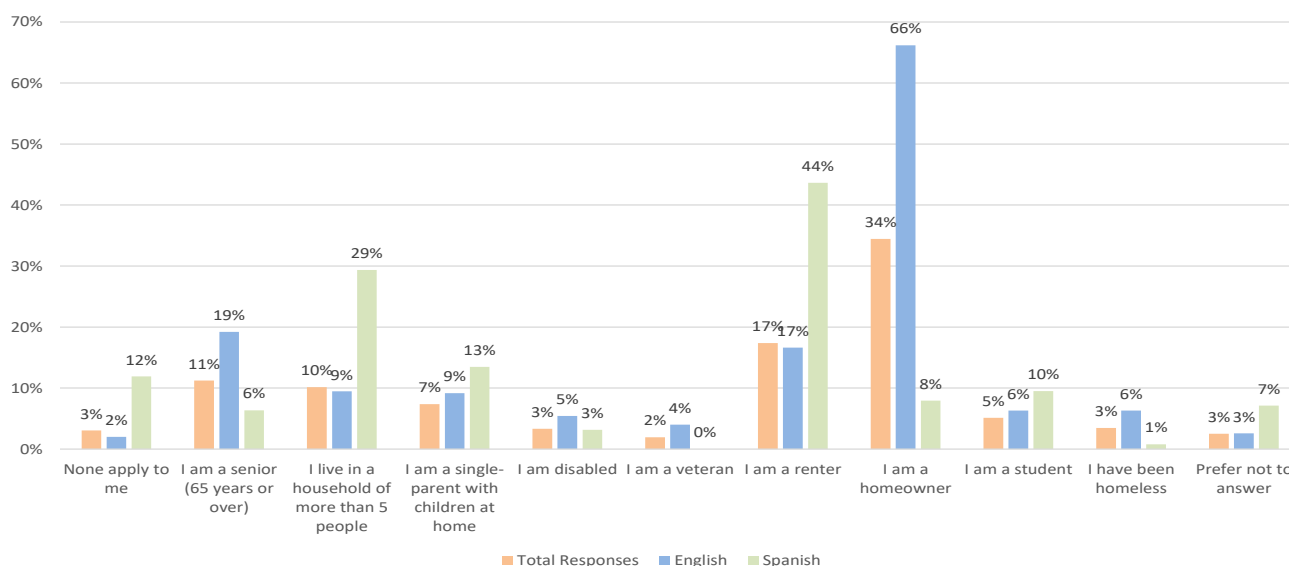


Q8. Please select all that apply to you:

Total: Answers = 498; Skipped = 7

English: Answered = 363; Skipped = 4

Spanish: Answered = 140; Skipped = 3

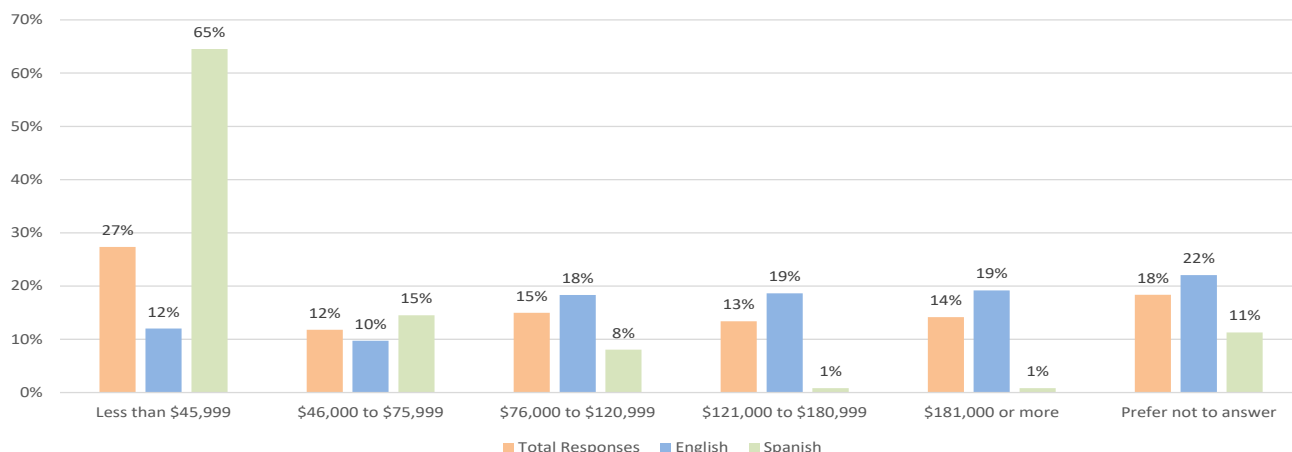


Q9. Please share the total annual household income for all adults in your household:

Total: Answers = 501; Skipped = 9

English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5

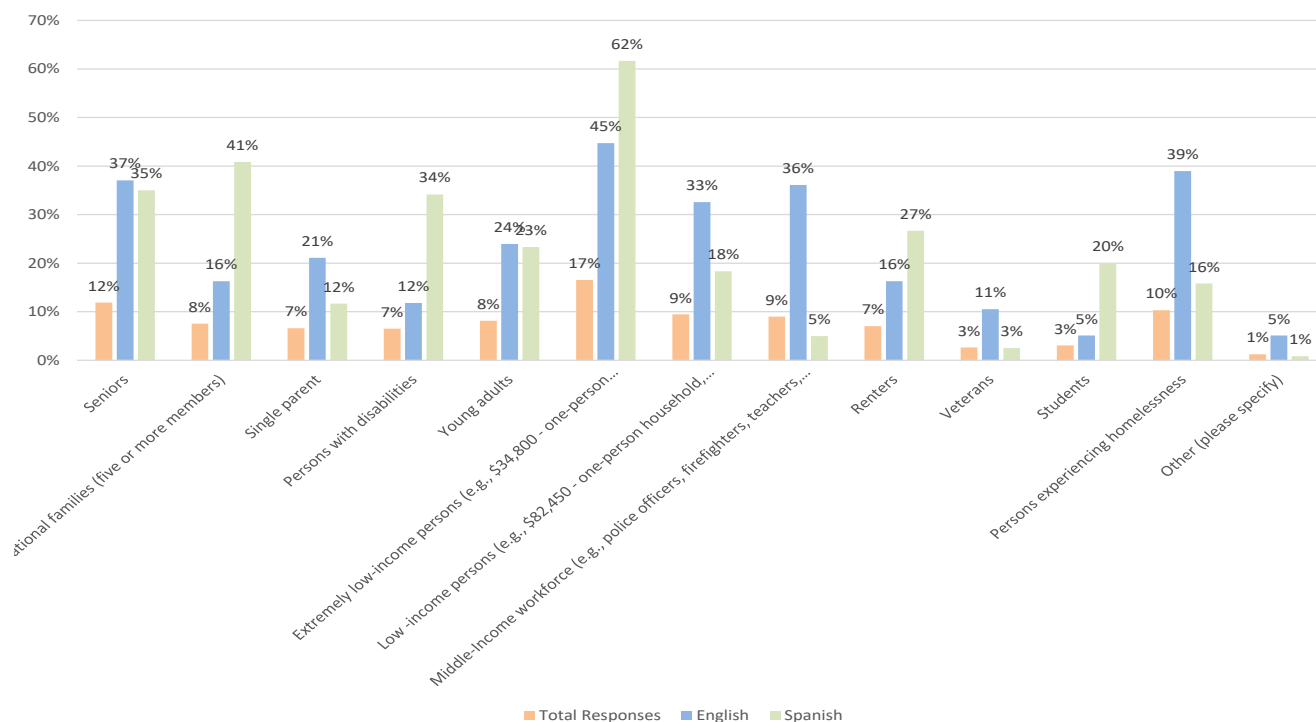


Q10. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 324; Skipped = 43

Spanish: Answered = 134; Skipped = 9



English Responses

- The rest of everyone on this list.....
- Three choices are not enough
- people who make too much for low income and not enough for regular housing market. (having to make 3x the rent in order to rent)
- People who already live in Gilroy
- People of all ages and income
- Those working at least part time, with good credit.
- Survivors of Gender Based Violence

- Persons with mental health disorders.
- High end housing
- We are overpopulated and not enough community infrastructure and commercial retail space is available. Should be spending money to fix the roads and cleanup the town. Make the city and downtown area more representable, modern and safe... rather than continuing to build home and low income housing. Gilroy needs to establish a worth and community value, not just cram everyone into the city and let it go downhill
- I am not qualified to accurately answer this question
- disabled mental health
- Homeless
- Homelessness doesn't discriminate. Homelessness occurs within every group.
- Middle income families
- People who already live here

Spanish Responses

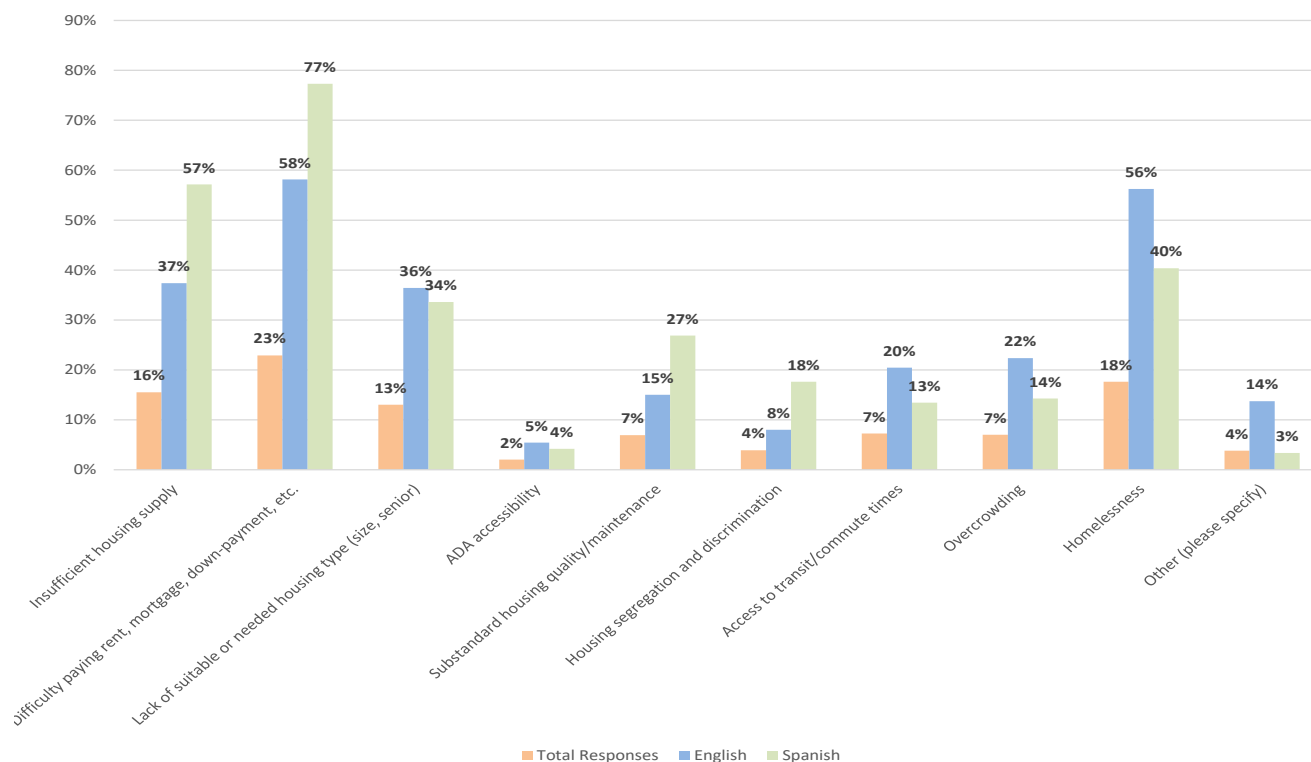
- Family making less than 80,000

Q11. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 325; Skipped = 42

Spanish: Answered = 133; Skipped = 10



English Responses

- Builder / developer price gouging
- Lack of town center in GLR
- Affordable rent.
- No infrastructure to support
- Section 8
- Over developing in areas not intended. Housing causing traffic congestions
- Home prices
- Getting too crowded in Gilroy. Have enough housing. Not enough services and infrastructure to support current growth let alone future growth. Don't want to become another San Jose. Keep open spaces and rural community

- city services and infrastructure stretched with current housing being built
- parking
- Irresponsible development outpacing water and services budget supply
- substance abuse, mental health issues
- no opinion
- Unrealistic costs. Cost of housing compared to income.
- poorly planned neighborhoods
- Landlords that don't follow laws
- Single story
- Homeless encampments
- Lack of funding from the State for Section 8
- Dining/entertainment for residents
- Too many homes are being built in the city and we are getting overpopulated. But only is there too many homes being built causing overpopulation and causing major traffic, it enough retail and commercial areas/plazas and schools are being built to compensate for the increasing population. Too much new homes being built and too much low income housing being built. Too
- Literally all those plus more. I can be considered to "make enough" but that doesn't reflect the responsibilities or hardships we are all going thru and I've had to choose do I pay rent or pay my cell phone bill or put food on the table for my dying grandparents. rent prices are terrible and can be increased at anytime and if u fight about it u lose your home
- No help for domestic violence victims with kids
- Too many affordable housing units being built
- Renting with no dogs
- No enough infrastructure to support new and existing housing
- lack of creative solution
- Too many condos/apts/townhomes being built
- South Gilroy housing units explosive growth is straining the necessary retail support needs for grocery and pharmacy needs to support all the new market rate housing coming on line not to mention the infrastructure of roads, water, sewer and electrical grids. We continue to experience PG & E outages because of the service grid not keeping up with expansion
- Lack of affordable housing
- insufficient planning for current and future water scarcity
- Allowing housing with little or no open space. Inadequate roads/highway to support the number of cars already on the road.
- Lack of ELI affordable housing
- Infrastructure
- Education and resources.
- Shopping center / grocery stores
- Undocumented folks who can't get a job
- We need affordable housing - not selling the dream of homeownership. The developers are using loopholes to overabundance us with housing in categories well above the 2040 quotas by throwing in a few token BMR units so the development can't be denied. They should NOT be able to build in categories above quota when the other categories are under 100%.
- Inadequate water supply; Deficit growth with housing boom; Loss of open space and farm land
- Low income housing is abused by many people who abuse the system & have no intention in finding employment. Many of these same people bring crime into our neighborhoods and make it dangerous for everyone else living in the city. I think low income housing should be available to people who are carefully screened to verify they don't have a history of living in low income housing. They should only be allowed 6 months to 1 year and then be off the system. There are too many jobs available to be unemployed or underemployed. People who abuse the system take away from people who actually need the assistance and do not want to stay in assistance.
- Price
- Mentally Ill, drug addicted
- This is America. Capitalism works. Stop interfering.
- Permanently parked motor homes in side streets.
- Cost of housing

Spanish Responses

- I would like to see the city of Gilroy working more to fix the problem with the high cost of rent.

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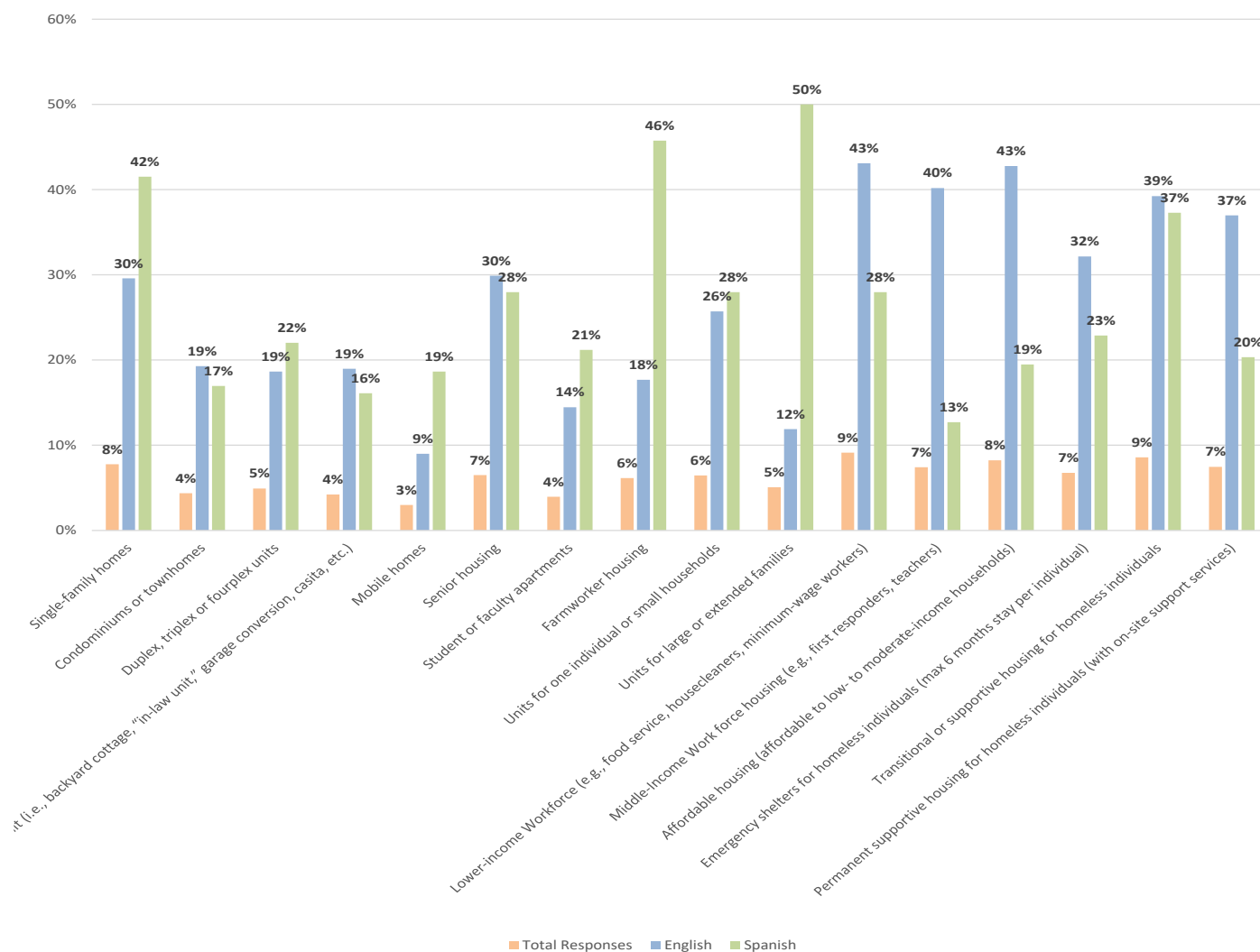
- very expensive rent
- Very demanding owner
- More accessible costs

Q12. In your opinion, please note which of the following housing types are missing or most needed in Gilroy. (Select all that apply)

Total: Answers = 454; Skipped = 56

English: Answered = 322; Skipped = 45

Spanish: Answered = 132; Skipped = 11

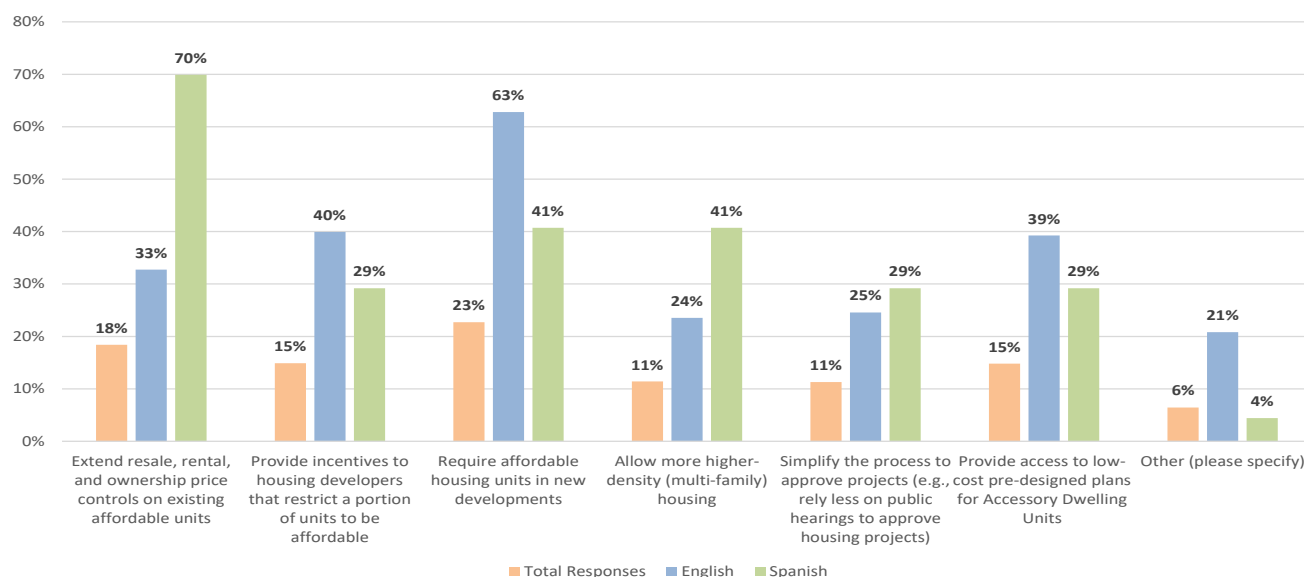


Q13. Select your top three (3) programs to improve housing access in Gilroy.

Total: Answers = 431; Skipped = 79

English: Answered = 304; Skipped = 63

Spanish: Answered = 127; Skipped = 16



English Responses

- Housing for extremely low salaries
- More Senior Housing and middle-income (not low-income) housing options
- replace single houses by townhouses or at least duplexes, need more green spaces around buildings for trees
- Rent control
- On city owned land install a "tiny" homes project.
- Less residents
- Convert large single family homes to group homes and halfway houses
- Section 8
- Over charging on rent. Should be based on gross income
- choices are too one-sided. what about current residents??
- Honestly housing numbers fine just need to lower prices and build more business for local jobs and fix downtown and add community center like MH to add revenue
- Don't need more housing unless to help young adults getting started.
- tiny house communities
- Workshops/incentives to add ADU
- We don't need to build more houses until we have water.
- Stop building! We have too much housing and not enough resources
- Standardize process approval for projects by setting community set standards that satisfy community needs
- Affordable opportunities should be made for those who work, but cannot afford because it is too expensive (costs, rates, etc.)
- Restrict high density housing and keep low income to a realistic need, not exceed
- Promote creation of well-paying jobs for existing residents
- Fix the existing roads, why was Santa Teresa not built out to its original design 4 lanes all the way
- Provide a safe parking facility
- Not to build low income units without adding amenities
- Use affordable housing in-lieu fees to offer down payment and mortgage rate assistance.
- Offer working middle class financial backing to be able to purchase homes
- Collaborate with developers to extend preferences to survivors of gender based violence
- Middle income earners are being left out of the conversation. Too much money for affordable housing, but not enough for a down-payment. What gives?
- city-managed subsidies for housing choice

- Perhaps landowners of the Outlets and other shopping centers would be willing to redesign the buildings to include living spaces, since retail is struggling these days. They would have to hire an architect, so that the redesign looks inviting. This would benefit the businesses as well, since residents would have an easy walk to shopping.
- Low income or free help for tenants
- incentives' for ADU's
- Streamline permitting process for building ADUs
- More financial help with rent for low income families
- Invest in the community and infrastructure, not more homes. Take care of the town and existing residents, and not lure more crowds into town and have it be overwhelmed.
- The problem is NIMBY and as long as residents are allowed to vote on these projects. We will never reach affordable housing because it affects their assumed property values. Every California owner only cares about their property value not the status of their neighbor
- Help domestic violence victims with housing
- Better plan additional housing to be integrated with essential services like food and transit to reduce traffic congestion while also increasing housing availability.
- improve infrastructure
- Gilroy is crowded enough. We don't need more building.
- Stop stack-n-pack units. If Gilroy wants to grow, expand the city not put more people in a smaller space.
- Build low-cost/high density housing in areas near shopping centers/grocery stores. Building low-cost housing in areas where one would need a vehicle to get to shopping is just plain dumb and poor planning.
- Please do not approve anymore high density housing. We have way to many of these as is.
- Prevent landlords to increase rent prices
- Prioritize housing for the homeless
- permanent supportive housing in Gilroy
- We do not need to build housing in every plot of open land. What makes Gilroy so beautiful and what makes it stand out are the open areas that are around the city.
- Allow BMR owners empty nesters to rent extra rooms in their home without being penalized. Allow them to build ADUs without adding restrictions.
- The city needs more amenities like larger grocery stores. Morgan Hill has 3 large spacious store with 10K less in population than Gilroy. You are overcrowding the area of First Street, Santa Theresa, and Hecker Pass. Where are the amenities?
- smart planning
- Create more units and access to "truly" affordable housing, geared at ELI
- Education/resources for youth and young adults for homelessness prevention, and housing options from renting apartments, to roommate living, etc.
- Address the homeless encampments and escalating crime
- Housing for middle income
- Developers need to be required to build in the categories that have not met 2040 quotas before being allowed to build in categories that are above 100% of 2040 quotas. They need to actually focus on creating affordable housing - rentals before homeownership - before allowing developers to build homes - they don't build affordable housing as it's not as profitable as the homes for sale. They also need to be required to build adequate parking along with the developments - our situation out here at the butt end of the county and being rural has different needs than those in bigger cities - the current criteria does not fit the needs of Gilroy that most developers and some city council members are pushing for. We do not need more housing in the categories above 100% of 2040 quotas - we do need more affordable rentals. No more mega monstrosity developments until there is adequate affordable housing - then the housing developments can start up again. Why is everything geared to the developers, who already use loopholes to overabundance us with the mega monstrosities??
- Attract more good jobs, not more houses!
- I think Gilroy has enough housing as is. I would prefer to eliminate low income housing that has a history of police involvement. I prefer larger city's like San Jose to create additional low income housing. I left San Jose to get away from the homelessness & transient issues that run rampant in San Jose.
- We should not encourage the homeless to congregate in Gilroy. Living in Gilroy is not a God given right.
- Tiny Homes with support services
- Need more grocery stores and highway widening before building more houses. I have been grocery shopping in Morgan Hill. The grocery stores here are always packed, day and night.
- Gilroy does not need more affordable housing. If it is not affordable as is then moving to another city should be the option. Gilroy is already too crowded and the road access has not been expanded to accommodate. None of the above programs are necessary nor will improve Gilroy.
- Stop building homes. We are too crowded. If you have to build single family homes not monster homes (2 stories 3000 sq feet) simple single family homes

- Make incentives for townhomes
- No high density housing.

Spanish Responses

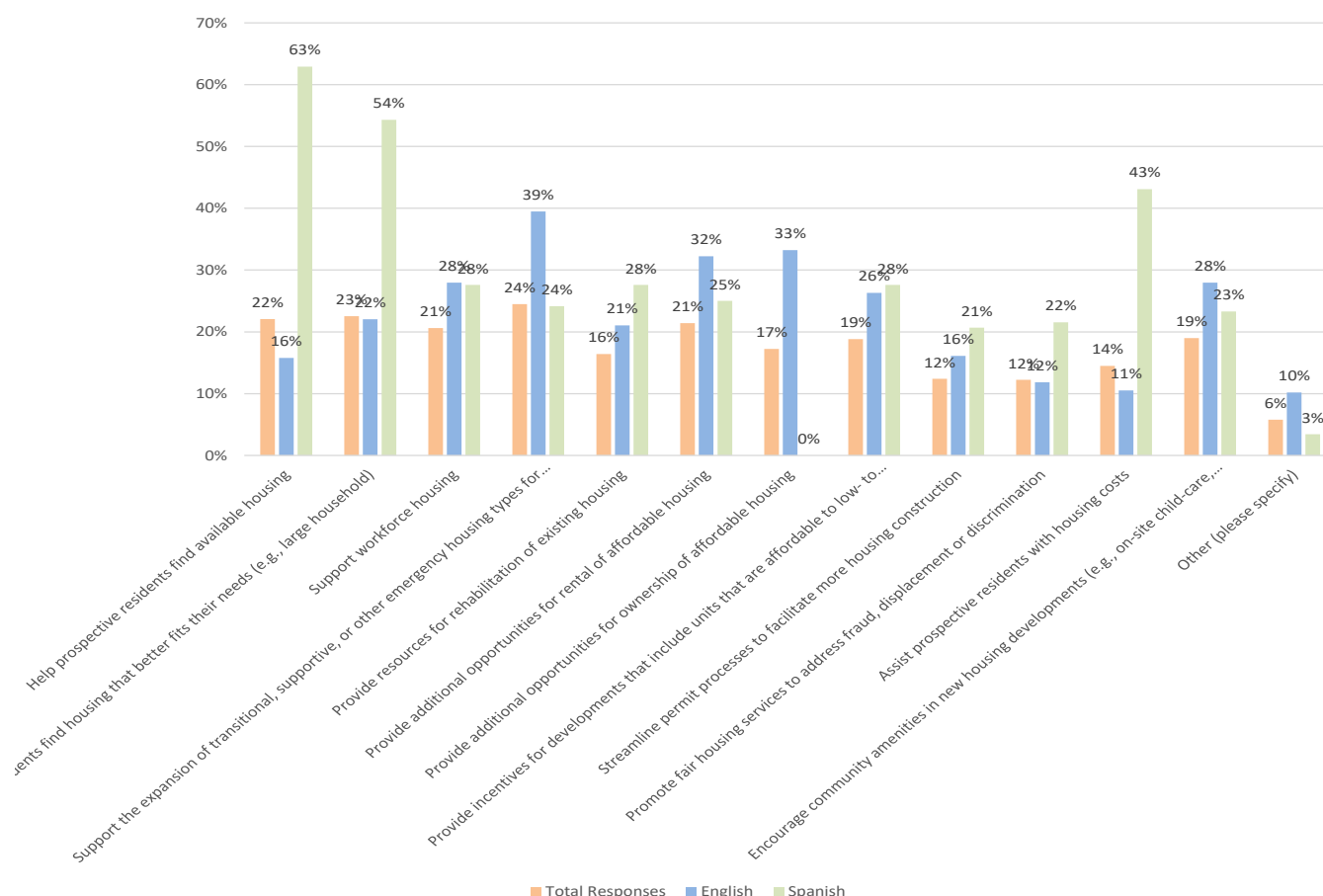
- Control price on rent and deposits.
- Extremely low income housing.
- Extremely low income housing.
- More low-income apartments.
- Help with all the requirements they ask for to rent a place. Help with that because ultimately they exaggeratedly ask for so many requirements to sell an apartment or house

Q14. What types of programs or activities do you believe the City should implement in the 2023-2031 Housing Element to address housing needs? (Select your top 3 recommendations.)

Total: Answers = 446; Skipped = 64

English: Answered = 316; Skipped = 51

Spanish: Answered = 130; Skipped = 13



English Responses

- Promote public transit options to new home communities
- Section 8
- Low income apartments based on gross income
- Offer housing being built to LOCAL teachers, law enforcement, firefighters
- Please stop building more houses until we have more water.
- Stop building, we don't have enough resources
- Promoting affordable sustainable housing that moves towards 100% solar power that can be used to give back to the community

- Promote creation of well-paying jobs for existing residents
- Build more grocery stores, etc to accommodate all types of income. Gilroy is only building low income units and forcing the existing residents to go to Morgan Hill to grocery shop
- Inclusionary housing ordinance for all new and rehabbed residential development
- senior units
- HABITAT FOR HUMANITY HOUSING
- give low or free help to tenants
- Provide incentives for developments that include units that are affordable to Extremely Low-income households
- Provide money to Infrastructure and planning BEFORE adding any housing
- Prevent overcrowding and stop building new affordable housing complexes where they are squeezed in and increase crime in a relatively safe area.
- We need to invest in the value of our city and make it better and cleaner. More retail businesses and better quality educational system. Good rated schools
- Help CURRENT RESIDENTS WITH PROSPECTIVE HOUSING COSTS.
- Get out of CA housing plan and determine city's own future. We need to remain a community, not become another suburb of San Jose
- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of them have big yards to build ADUs.
- Increase ELI affordable housing
- Extremely low-income need truly affordable rents
- Add amnesties that compensate all the building going on in the west side. More grocery stores. Morgan hill has well managed and clean, large grocery stores with lots of parking
- Support city infrastructure
- We need to care of those that are here, before we try to attract others to move here.
- We need to re-zone to incentivize dense housing near transit.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- Please take care of the homeowners who already live in Gilroy & update the existing neighborhoods. Stop trying to bring in more low income / subsidized living, it mainly attracts the type of people who do not have anything invested in this city and when you have no skin in the game, you don't care what your "free" home or the city looks like.
- Incentivize the splitting of large plots - 1 to 5 acres - into subdivisions for Miri houses for homeless. This will mix homeless with regular society rather than putting them in concentrated areas where they are pressured into continuing or starting bad choices.
- More lower income housing for current residents
- Provide enough parking for these apartments. They overflow in to the neighborhoods and detracts from the neighborhood
- There are many places to move that is more affordable and less crowded than Gilroy. We do not need to continue to cram more housing units of various types into our already full city.

Spanish Responses

- A park for children with special needs.
- housing for loving adults with non-severe disabilities.
- to rent or Buy a house or where to live
- A park for children with special needs. Including all the children.

Q15. Please describe any other considerations, policies, or programs the City should consider here:

Total: Answers = 131; Skipped = 379

English: Answered = 119; Skipped = 248

Spanish: Answered = 12; Skipped = 131

English Responses:

- Need case managers who do not discriminate or only help who they want.
- Safe Park, transitional housing, family homeless shelter
- Lower taxes on single family homes
- There are too many badly planned housing developments like the one next to the armory on Wren or by the south sports park, 3' setbacks do not allow plants to improve climate control. Townhouses would be a much better option.
- Low income rent control. The moreover income can save the sooner we can vacate the unit to home ownership
- More affordable Recreational Programs for all ages

- The city of Gilroy is sprawling everywhere and it's sad to see. Gone are the nice areas around Christmas Hill Park. Filling every green space with housing is idiocy. I've seen this in city after city, most recently Morgan Hill. They built high density housing on Monterey that look like prison barracks. And what followed was a whole host of problems, gun shots all hours of the day and night, constant police calls, harassment of established single home residents, a plethora of non working street walking thugs. Morgan Hill used to have the criminal element that rented hotel rooms and worked their crimes. Now the city council decided to invite them to live in the city by building huge multi people cramped high rises. It was a bad decision by the city council, one that I would hope Gilroy would be smarter about. Lets talk about infrastructure - we don't or won't have water for increased housing. We are all cutting back drastically now! How can you allow developments to keep building without addressing the water issue. Even the water we have is polluted with high nitrates. Don't buckle under to developers and the lure of more tax dollars. You'll be spending far more in city services than you will ever gain. It's time to put out the "NO VACANCY" sign.
- The City must take responsibility for the fact that it's community that is homeless is THEIR responsibility and their people. The City needs to immediately find sites for emergency housing, tiny homes etc and stop making excuses for why they won't. One I hear often is prioritizing parking over housing site options. We've done too little for too long!
- Without sufficient water resources, this area can't support any additional citizens
- More police
- Co-join as many programs that would help fund the housing we need
- Allow below-market housing by right
- Most housing requires 3x the rent or more which makes it difficult for people to get into and keep housing. Minimum wage is not comparable to cost of living
- Section 8
- Helping first time owners, who live and work in the town
- All current apartments should have ac units especially low income apartments
- traffic and congested street parking
- Again housing numbers are fine, need to build up business and downtown. Expanding faster than infrastructure sewer, water etc and PD and Fire. Let's focus on being able to take care of what we have before expanding more. Cart behind the horse rather than ahead of it
- Support improvements on Monterey and build apartments / condos in the downtown area.
- make tiny home communities on vacant lots
- Stop building until we are out of the drought.
- Stop building, we don't have enough resources and we are destroying the land around us!
- Public transportation, water shortage with increased housing
- There should be stricter rules, consequences, for the people who are living in our street who collect a bunch of junk. Those living conditions are a hazard to the community members who live around it to see it, smell it and live around it; putting their/families at risk. The city of Gilroy and law enforcement should be able/allowed to enforce fines, incarceration of those who are not following rules/penal codes.
- Stop accepting money in exchange for homeless groups to be bussed and left on our streets. Bus them back to where they came from and clean up the camps. What has happened is terrifying.
- In any development there should be required large open spaces for families to enjoy. The city should be having ideas about where to put more open parks for families, children to go and enjoy
- Stop all new housing construction. Extend recycled water to existing homes for landscape use. Subsidize grey water use for landscape. Promote creation of well-paying jobs for existing residents.
- how to overcome objections to changing nature of neighborhoods in line with State focus on Affirmatively Furthering Fair Housing
- Gilroy is already overcrowded. Bringing in low income housing will lower the value of the current residents who worked so hard to buy their homes.
- Better roads so traffic moves and you can get to and on 101
- A safe parking facility as a bridge between homeless and housed
- Gilroy needs more amenities for all the additional housing being built. No one ever addresses this issue. There is never an answer.
- Single individuals or small workforce families 2-3 should have more help so they can get better jobs or just not be homeless. It's crazy that you have to be a single no income person on this city to get any help with access to subsidies or other programs.
- Inclusionary housing ordinance
- Policies to address the needs of people with mental illness
- Minimize construction red tape
- Whatever programs the city supports, the support should be for working class families - i.e., support wage earners first.

- There is a need for inclusionary housing ordinances in the City of Gilroy. As far as available resources, the City does not have full-time Detox/substance abuse facilities or services (we just have a mobile unit that comes into town 1 day per week.)
- Down-Payment Assistance to Middle Income work force.
- Rent control especially for low income seniors
- Zoning for high density housing downtown and near Caltrain and bus lines.
- Consider aesthetics (like landscaping, open space, architectural beauty, comfort, and eco-intelligence) in ALL new and rejuvenated construction. Such aesthetics make for happier residents throughout the city, in addition to the individual neighborhood.
- Community volunteers help seniors with painting their houses, etc.
- Program for Single Parents & Seniors affordable housing.
- renters need free help dealing with landlords who are not ethical
- Control affordable pricing.
- Establish a Safe Parking Program at 8th and Alexander
- Sanctioned encampments land/areas for people/families who are living in vehicles/oversized/RV's(and in transition of finding more permanent housing.)
- Safe parking program
- I think the most immediate need is for safe parking programs like the one in Morgan Hill in Gilroy
- Current and new affordable housing units should have an overseeing board to improve quality and safety of individuals and families living there
- Studies, planning, to City of Gilroy's infrastructure is required followed by funding then changes. The city's water, sewer, power, garbage, and school require attention. The police department needs to be increased now. The current department is useless as they make no efforts to stop crime, or murders. The downtown buildings on Monterey Rd. are substandard. The retail and food is lost to Morgan Hill and San Jose.
- The city needs to stop taking cash grabs and refuse the new building of affordable housing duplexes. The city is small and already overcrowded. This needs to stop. It is entirely unfair to residents that have lived here more than a decade that now have to deal with the influx of new residents and yet no increase to general infrastructure. Where are the better roads? More schools? If you want to be greedy as a board and continue taking money grabs, at least fix the city's infrastructure before you allow crime and overcrowding to befall us all.
- Put pressure on the State or County to provide more Section 8 funding in order to help more people with their rent.
- Slow the growth of construction like Morgan Hill does
- Stop building new homes and low income housing communities. We need our town to be safe and modern and be of high value. More retail spaces, shopping plazas, entertainment
- I have grown up and loved in Gilroy and Morgan Hill all my life. During the 2008 housing crisis I was pushed out of my home forced from Morgan Hill to Gilroy and in 2021 I was officially pushed out of Gilroy to move out of state across country to find affordable and up to code homes. It breaks my heart to leave behind my family my friends and the only place I've ever called home. My family history goes back over 120 years in Gilroy Morgan Hill and Hollister. That is my home and to struggle for years to desperately cling to something that clearly doesn't want to keep around is sad. You talk about bringing incentive programs for prospective residents but why aren't you serving the ones you have? Please put in things to do in town for families, kids, teens, and adults alike. Don't cater to the rich they have enough.
- More rent controlled apartments, public housing Q&A, housing workshops to prepare prospective buyers build timelines.
- Programs to help people apply for housing and not be discouraged
- Have more income based housing
- Please limit the number of affordable housing units being built. Gilroy has set this quota at 59%, which is much higher than the rest of Santa Clara county. Too many affordable housing units will lead to overcrowding and crime. Plus, we simply don't have the infrastructure to support an influx of new residents. A lot of the streets are single lane, which is already leading to traffic problems during peak hours.
- Too many low income housing will negatively affect current homeowners who have worked so hard to purchase and maintain their home. Our rights to maintain our home value need to be protected too.
- make tiny home communities on vacant lots
- I cannot stress enough the fact that the current housing being built is often far from basic things like schools, food/groceries, and good public transit. Without integrating these things into new community developments, the city will have increasingly terrible traffic and turn into a smaller version of the San Jose area, which is ridiculously congested.
- Gilroy doesn't need to attract more homeless.
- make sure people who are getting support from the county actually need it--way too much abuse of the housing program
- Realistic infrastructure needs for housing and business growth to support outlying areas expansion
- Tenant protections against evictions that lead to more homelessness.
- Gated parks with cameras
- More options for homeless housing/encampments.

- Homeless programs need to be set up for our community. People are living in their cars in our neighborhood parks, on our county creeks and our city streets. It becomes a very unsafe environment for people just trying to enjoy our community. We need to keep moving these encampments off our city and county areas so they reach out to programs being provided for them.
- Please no more duplexes or apartments. Gilroy has been attracting a lot of people who commit petty crimes. I think if you allow more high density housing crime will get worse. We already have more than enough people living here. Let's instead concentrate on our homeless problem as well as use funds to spruce up the Gilroy we already have. The streets do not need anymore people on them it's congested enough all ready. The grocery stores are always packed as well. We do need anymore housing.
- Cleaning up the homeless problem
- People with disabilities and seniors are who are on fixed incomes are being left out of the planning very often. Limited funding for rental assistance and accessing it is very difficult if you are not the agency holding the purse strings. Undocumented workers and seniors with little income are also being left out of the equation
- A solid plan for housing the homeless, including a plan for the homeless with pets or those that do not want to participate and insist on living in tents
- Designate a staff associate to housing and funding availability from county and state programs.
- This City is behind in creative ways to house the homeless. Think Tiny houses, church parking spaces for families to have safe overnight stays, even if it's their cars and have services there; etc.
- I believe we must address housing needs of low income, very low income, and unhoused people. I believe all other new housing should be proven sustainable before approved for building. California is facing resource scarcity issues--notably water shortages--which must be built into planning.
- We do not need to build housing on every open piece of land. Keep Gilroy beautiful. There is a responsible way to build homes.
- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of the have big yards to build ADUs.
- Restrict the number of housing units being built. Gilroy is growing too big and a majority of its residents do not work in the area or support living here. Everyone is on the road for more than two hours to and from work in Silicon Valley. We need better transit systems and better road conditions before allowing more people to move to Gilroy and travel on an already inadequate highway system.
- Need more amenities. Y developing the land around the outlets with businesses, it would bring income into the city
- Consider impact on current residents and impact on traffic, fire and police infrastructure, water needs and environment.
- Infrastructure. As a member of the Gilroy community, we need to have a town where we feel comfortable in and is sustainable. Everything is crumbling around the city and why bill more when the cost to live here is not affordable. Referencing the utilities like water garbage and PG&E. They are skyrocketing and at the same time nothing is being done to maintain these systems except increase pricing on the homeowner. Our downtown looks like shit and no one wants to visit it. We need restaurants and nice parks roads. We can't build more housing without supporting the surrounding areas
- I see so many of my peers experiencing homelessness because after their parents or whomever they lived with moved away, or their loved one died, they had no idea what to do. I experienced homelessness myself as a child, again as young adult, and now live in constant fear of not having somewhere to be safe or rest my head. I don't have any kids and make less than 30, 000 year so there just isn't any resources for me. And if there are, it should be easily available information. All I see is list with apartment phone numbers. Just not enough education on this very important matter. Thankyou.
- Do not continue to expand Gilroy with new builds without updating our infrastructure and businesses -traffic is terrible, the houses and neighbors we do have aren't nice, both of our major grocery stores are right next to one another, current residents need better quality of life before we grow
- Renters must make 3x rent amount to qualify for an apartment is impossible in most cases! Finding other ways to qualify
- Homes for seniors, single stories, 55+ adult communities.
- Coordinate county services with new affordable housing to house homeless individuals
- Expand our amenities on the west side. The city is forcing us to shop in Morgan hill because we have no consideration for expansion except to add more housing
- I get \$1000 a month for disability my rent is \$1000 in the trailer park I can't make ends meet soon I will be homeless
- Need supervised housing for small groups of mentally ill who can't adequately care for themselves or take their medication reliably.
- Sports programs for the young to teenagers
- Don't allow apartments to be built right next to nice single family homes.
- Most of us moved to Gilroy for the small rural town vibe - we do not want to be the next big city with big city problems. The 2040 quotas arbitrarily assigned by the state politicians who are totally out of touch with "our "reality will double Gilroy's population. We need to preserve the small town feel rather than give in to mass growth- we need smart growth, not overgrowth.
- Beautification of Old Gilroy, paving, implement Standard for apartment appearance.

- I'd love to see an aggressive effort to up zone our main downtown commercial areas to allow residential/mixed retail. We should build strong transit links to the job centers in Santa Clara County.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- No new housing! We need good restaurants with outdoor seating. More grocery stores such as Whole Foods. And a downtown renovation, and we need to preserve the open space we have. No new housing projects!!
- Plan housing with transportation connections, plan for active transportation, consider climate change needs
- I wish the city would install speed bumps down high traffic roads such as Wren Ave. Drivers have no regard for the speed limit or kids playing/walking in the area. High speed drivers are a safety concern and a noise nuisance.
- Inclusionary ordinance
- There needs to be affordable and low income housing in all areas of Gilroy, not just the north area. It is like the west side is exclusive and does not allow homes in that area. For too many years Gilroy has focused affordable low income housing in North Gilroy
- Stop growing the city so quickly and fix the existing issues. We don't have enough grocery stores here. We don't have enough police force available. All this excessive building is just bringing more crime to the area. We are no longer a safe city. Have you seen all these new people drive around here like we are in a Grand Prix. These new housing are not doing anything if but making our infrastructure worse. They are not bringing new kids to schools locally because they can commute with kids. Our district is broken, work on that. We can have six Starbucks but not enough places to buy food? Focus on the city improvements first
- Buy the large plot on las animas and create a better tent area with drug control, security, showers and laundry
- Rent too high
- There are more affordable places to live. It isn't any city's responsibility to make their location a handout resource using hardworking taxpayers earnings.
- Build affordable housing in a nice community
- Please add Safe Park with support services
- It's become increasingly difficult for just the regular service employer (truckers, utility workers, health care admins) to qualify for purchasing a home that so many have to leave the area just to have a respectable home. The lower middle class are now considered low income and there needs to be more than just one unit per housing development designated for the low income. Good people in good homes equals a good city. It's insane that we expect everyone to make \$250k to live here comfortably, we miss that small town feel.
- There are so many things wrong with this town. Stop building high density housing. It looks like a ghetto. The ones being built on first and Kern are going to be a nightmare. Not enough parking and the traffic lights to handle the traffic.
- I believe that understanding individual households and their needs is essential to gaining knowledge for the housing element of Gilroy. For instance, I am a single parent to two children. I've been renting for the past 6 years and make \$170k a year. The rental rates are darn near worse than mortgage rates. It is not helping to provide an option of purchasing in this area. The housing crisis of cost and not even having homes that can suit people's different family needs is unfair. Creating factory type housing of all homes bunched together is not what everyone purchasing a home wants. Preferably homes can be made with decent yard space to allow for personal gardening of produce and chickens.
- Speed traps or speed bumps on W Las Animas Ave. This is an accident waiting to happen. Vehicles passing through from Monterrey rd. to church (and vice versa) use this as an expressway at very high speeds. Please look into it.
- Do not continue to make Gilroy more over crowded than it already has become. The infrastructure to get in and out of Gilroy needs to be expanded. We do not need to make the city more appealing to increase the city population.
- More work to improve our downtown, more restaurants and shopping. Not everything has to be low income focused, there are a lot of middle class families that love living here and would like more amenities.

Spanish Responses:

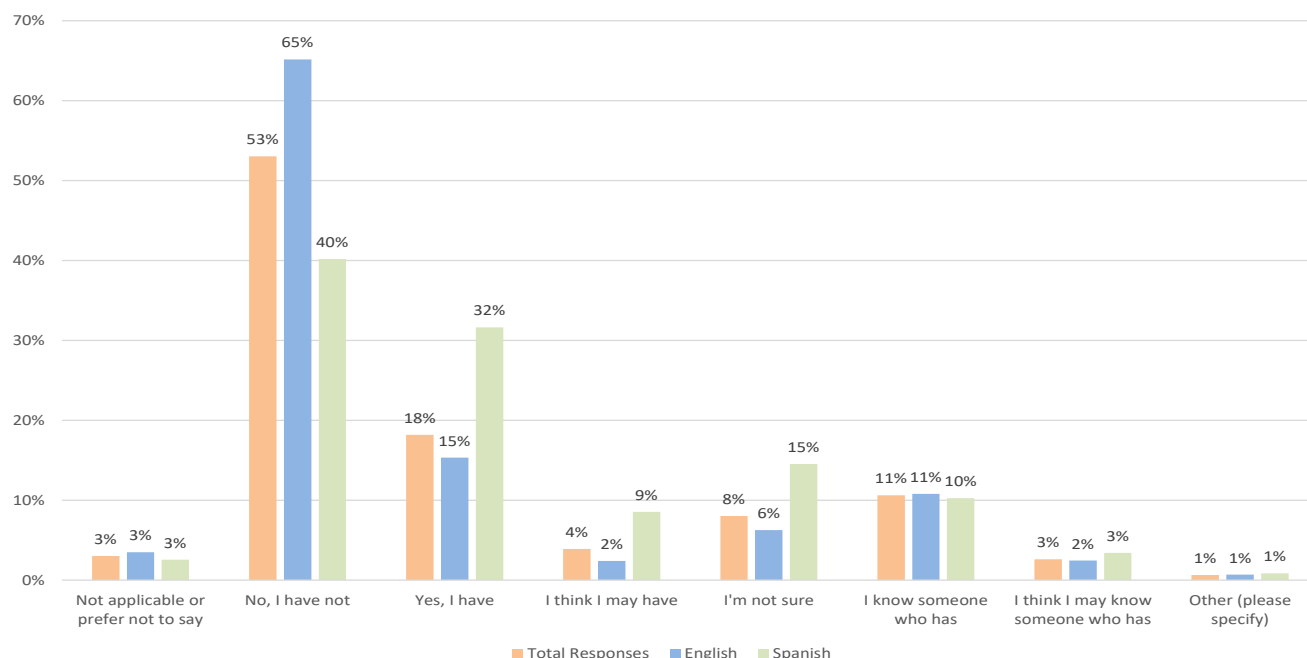
- Loans for home purchase
- Loans and Incentives for Home Purchases They should encourage opportunities to own your own home and not pay rent Lifelong
- Free music classes.
- More jobs
- Base rents
- Low cost housing is in high price
- housing
- Open space for exercise
- Financial Aid for layer buyer
- Childcare

Q16. Have you or someone you know ever encountered any of the forms of housing discrimination described above?

Total: Answers = 429; Skipped = 81

English: Answered = 298; Skipped = 69

Spanish: Answered = 131; Skipped = 12



English Responses

- Predatory lending is rampant despite your income.
- Same house is appraised for more due to buyers "assumed" race

Spanish Responses

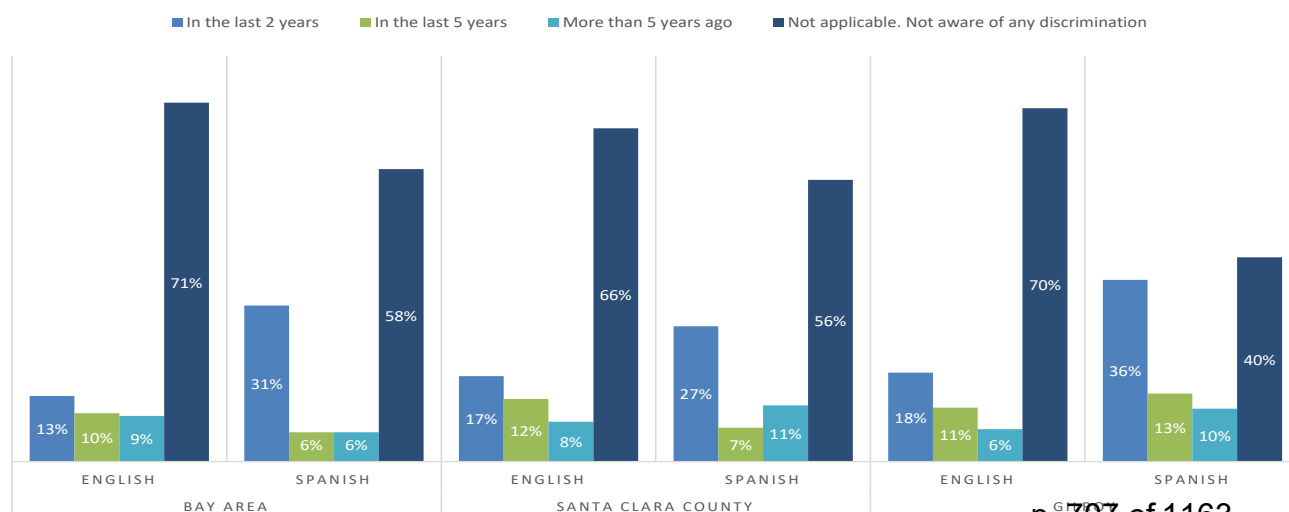
- For having a dog

Q17. If you believe that you or someone you know encountered housing discrimination, please identify when that occurred (Please check all that apply)

Total: Answers = 319; Skipped = 191

English: Answered = 215; Skipped = 152

Spanish: Answered = 104; Skipped = 39



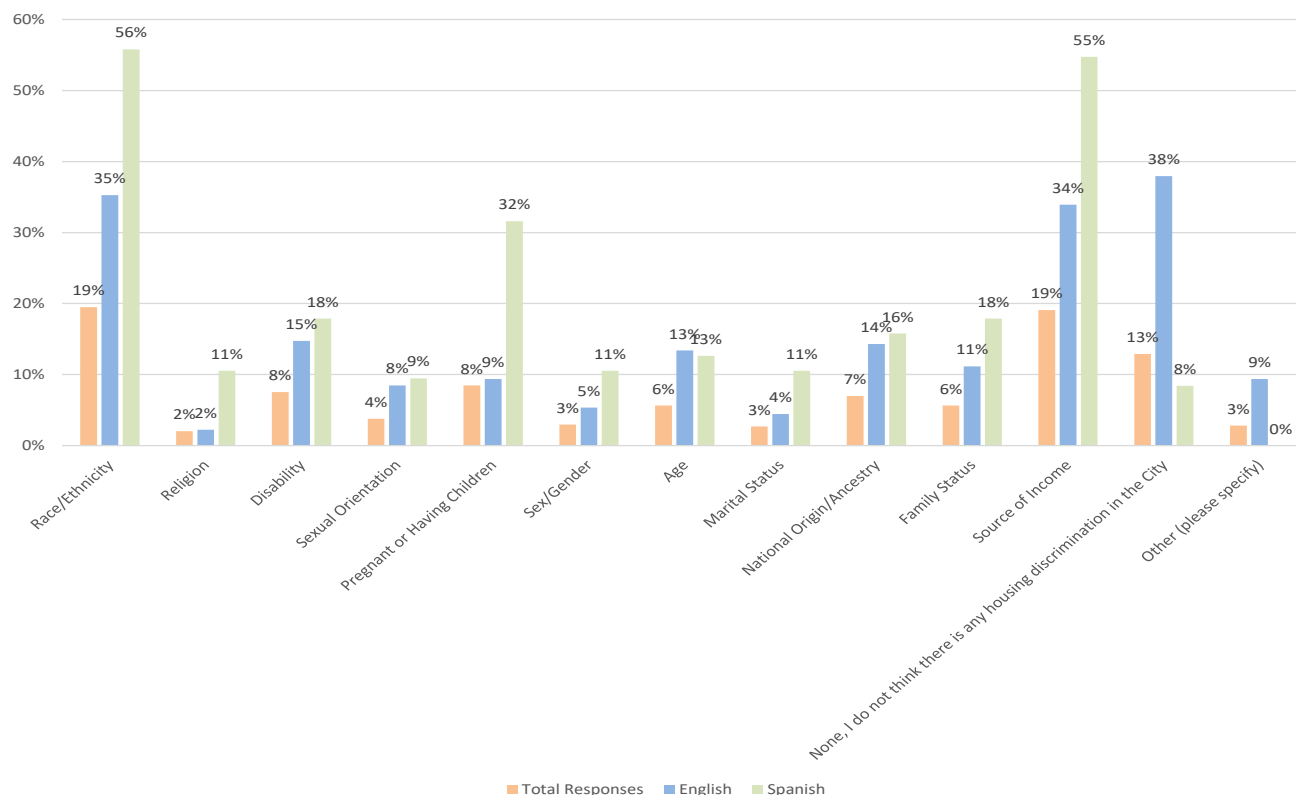
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Q18. If you believe that you or someone you know encountered housing discrimination, please identify the when that occurred (Please check all that apply)

Total: Answers = 341; Skipped = 169

English: Answered = 233; Skipped = 134

Spanish: Answered = 108; Skipped = 35



English Responses

- Homelessness
- I know of no situations like this.
- I do not know enough citizen of Gilroy to be able to answer this question
- Realtors themselves are discriminatory -
- Not accepting housing voucher
- Amount of income
- Not aware of discrimination specific cases
- no opinion
- I don't know
- victims/survivors of gender based violence
- Criminal background
- Unsure
- Financial discrimination. Most time a standard practice is first months rent plus last month's rent plus a security deposit plus a pet deposit. Then application fee. Easily over 7 to 8 k. Who the he'll has that saved
- Criminal record (non violent)
- Unknown
- Consult Project Sentinel for this data.
- I unaware of housing discrimination; we were hit with predatory lenders.
- Housing Cost
- Mentally ill and homeless
- I do not see any discrimination

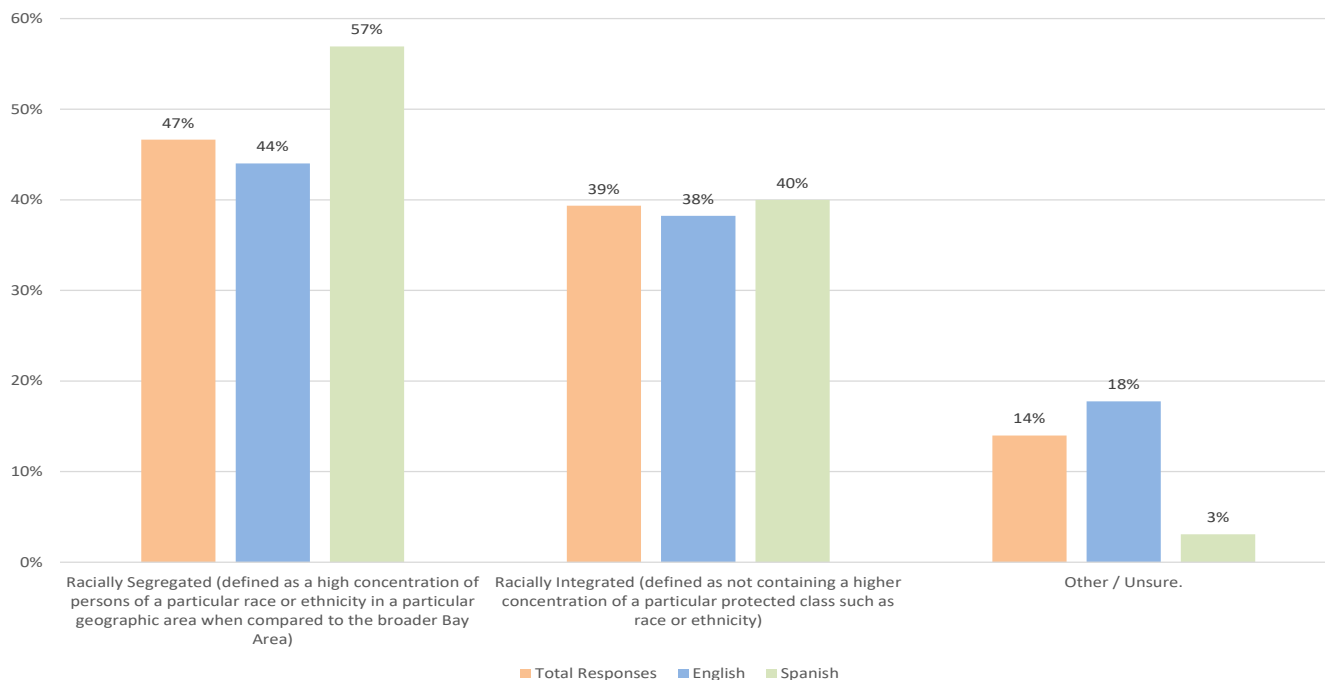
- i don't feel comfortable saying Gilroy has 0 housing discrimination just because i haven't personally seen any. I'm white, so where it does exist, I'd never experience it.

Q19. Please indicate whether you feel your city is: (Select one)

Total: Answers = 343; Skipped = 167

English: Answered = 267; Skipped = 100

Spanish: Answered = 76; Skipped = 67



English Responses

- I don't know
- I know little about the many neighborhoods in Gilroy
- Economic segregation
- One of the truly great things in CA is it's diversity - but everyone needs to understand the laws that this state, county and cities have adopted and abide by them.
- Unsure
- Unsure
- Gilroy, like everywhere, is segregated by socio economic class, which aligns pretty well with race in the US.
- unsure
- Gilroy is pretty diverse with the exception of east of the tracks
- Unsure
- I think it is somewhat diverse.
- Wonderfully diverse.
- no significant Communities of Interest in Morgan Hill
- Latinos who are lower income on east side I would guess
- This is a poorly framed question, and serves little to no purpose.
- Have not seen any stats on that
- It is neither but can become segregated if the city doesn't intervene
- Not sure
- It could be more integrated.
- Gilroy seems to have concentrations of fewer ethnicities than most of the Bay Area.
- Segregated by income which leads to segregation by race.
- Unsure

- Unsure
- Unsure
- Getting devalued and deprecated
- i don't know
- I don't know
- somewhat segregated
- Unsure
- Depends on affordability and income. You cannot buy or rent a Cadillac on a Chevrolet budget. My concern is for those who think they are "owed" the right to higher housing and don't want to work for it.
- We have a large Hispanic population but it doesn't show in the newly developed homes.
- I'm not really sure how racially segregated Gilroy is. I do know that a large portion of the Hispanic population lives east of Monterey Street and a very large portion of the white population lives west of Monterey Street.
- No comment
- More low income Mexican people live on the East side, but I think it is a result of income, not discrimination. Many Mexican people live in all parts of Gilroy.
- unsure
- No information
- I think Gilroy has a large Hispanic population but I think that is due to Hispanics always living here. Up until housing in areas like San Jose became unaffordable did other races start moving South.
- Gilroy does have a racial living divide. Although we all get along I believe, living areas are segregated. Not intentionally. But it has never been fixed or dealt with
- No we have a diverse city many who have been here over 20 years
- Unsure
- Unsure
- Not sure
- Unsure
- Gilroy is not segregated. It merely has different neighborhoods with varying prices of homes or living accommodations. This is how life is. If you can afford a small apartment then it will likely be located in a different area than someone who is quite wealthy living in a more expensive area. This is not complicated and should not require special programs to put all at a financially "equal" level. Handouts like affordable housing or restrictive rules will only create more financially dependent people.
- I suppose it would depend on the demographic rates but it's probably pretty segregated.
- Unsure

Spanish Responses

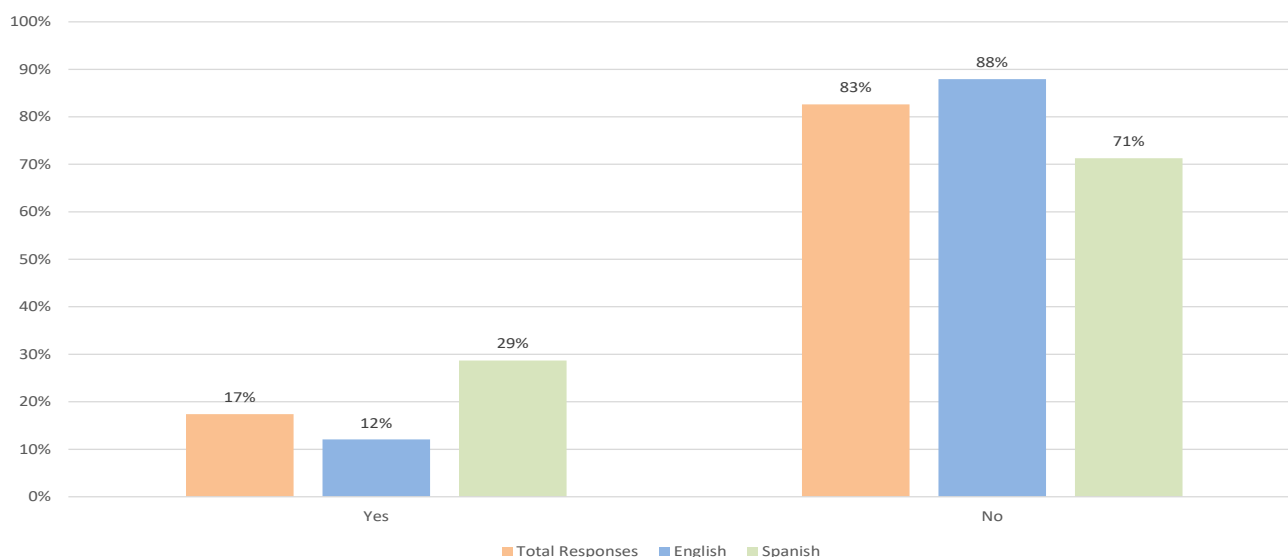
- I did not understand the question very well

Q20. In the past five years, have you had to move out of your residence in Gilroy when you did not want to move?

Total: Answers = 414; Skipped = 93

English: Answered = 293; Skipped = 74

Spanish: Answered = 121; Skipped = 22

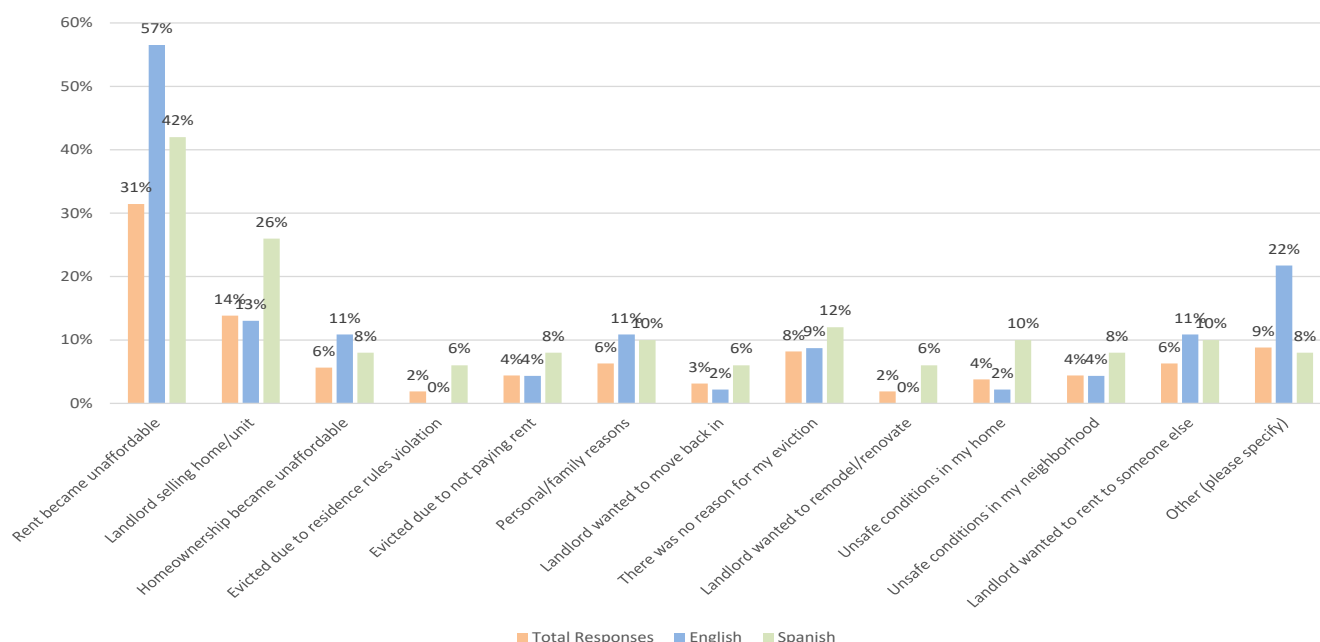


Q21. If you answered yes to the previous question, why did you have to move? (Select all that apply)

Total: Answers = 104; Skipped = 406

English: Answered = 47; Skipped = 320

Spanish: Answered = 57; Skipped = 86



English Responses

- moved from Morgan Hill because of the increase of crime.
- No protections in place to stop the landlord for doing so. They wanted more money and less accountability
- Dad kicked me out
- No
- Rent is becoming unaffordable and within a year or two or will be forced to move away
- Too many homeless were congregating near the park by my house, which was leading to crime. So I bought a home in what I perceived as a safer neighborhood. However, now that affordable housing units are popping up all over the city, I don't know if it's safe anywhere. The logical choice seems to be to move out of this city.
- Travel times to and from work.
- not applicable to me

Spanish Responses

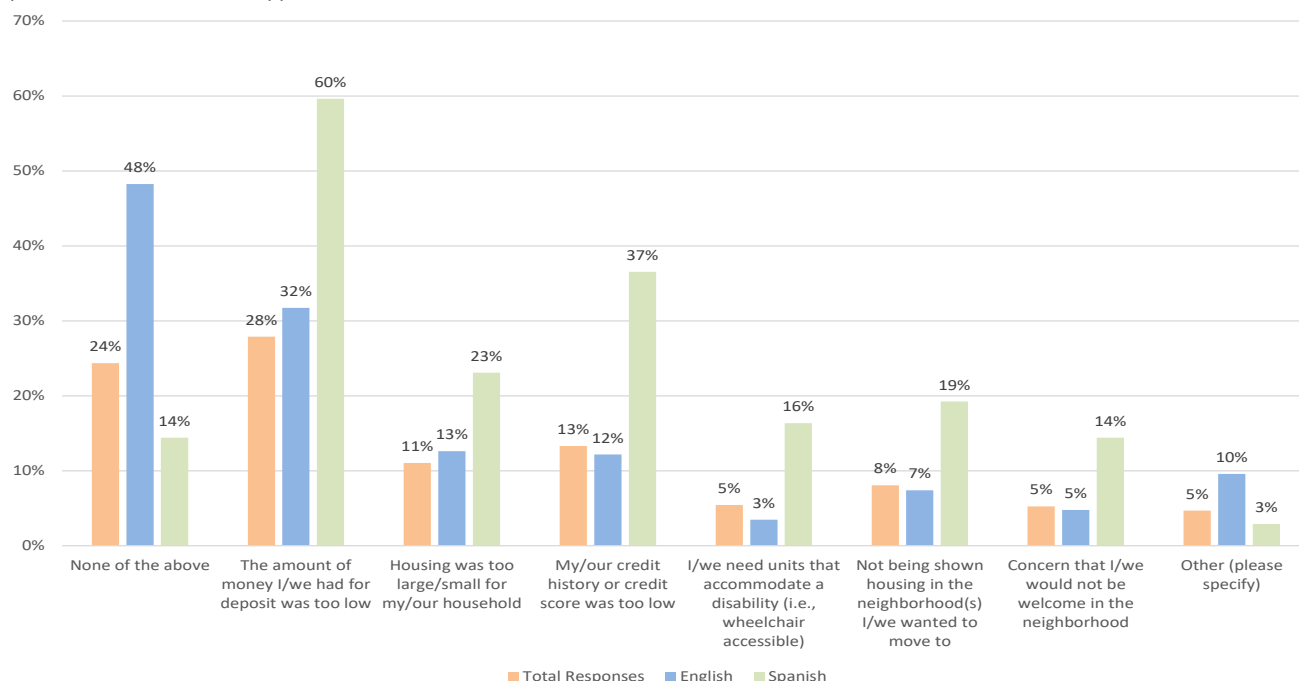
- The owner took my job
- I didn't move
- My rent went up
- Status

Q22. Which of the following issues, if any, have limited the housing options you were able to consider? (Please select all that apply)

Total: Answers = 355; Skipped = 155

English: Answered = 239; Skipped = 128

Spanish: Answered = 116; Skipped = 27

**English Responses**

- Lot sizes too small for anyone - (rats in a box syndrome)
- Did not make enough income to qualify or afford
- Priced out, outbid and investors buying
- House prices, priced out of market
- Having to earn 3x the rent in order to qualify for rental
- refused rental because I had money in bank but no job
- They wanted my paychecks to reflect 2.5x the cost of the rent.
- affordable financing for buying - it is very hard to come by for the wage earner
- Amount of rent
- require single story
- houses have become too expensive in Gilroy and criteria for affordable housing too strict
- I don't feel safe anywhere in this town anymore, with people shooting at cops and people walking around with knives and masks in our parks, and it's only going to get worse, it seems.
- could only afford foreclosures/fixer-uppers
- Low multi-family supply.
- Homes are very expensive in Gilroy
- Priced out of where we work. Had to move to Hollister even though our entire lives are in Gilroy.
- Neighbors did not keep up their home maintenance
- Many if those reasons applied until I worked harder and saved more money. I really wish City, state and federal government would stop trying so hard to make life easier for everyone. You remove all of the hardship involved in life and all the people

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you think you're helping will never appreciate anything. It's completely acceptable for people to struggle, even families with kids. Real parents will step it up and find a way when they have no other option but to work harder.

- Access to transit concerns
- Did not accept housing
- Housing prices (therefore monthly expenses) were out of our budget range.

Spanish Responses

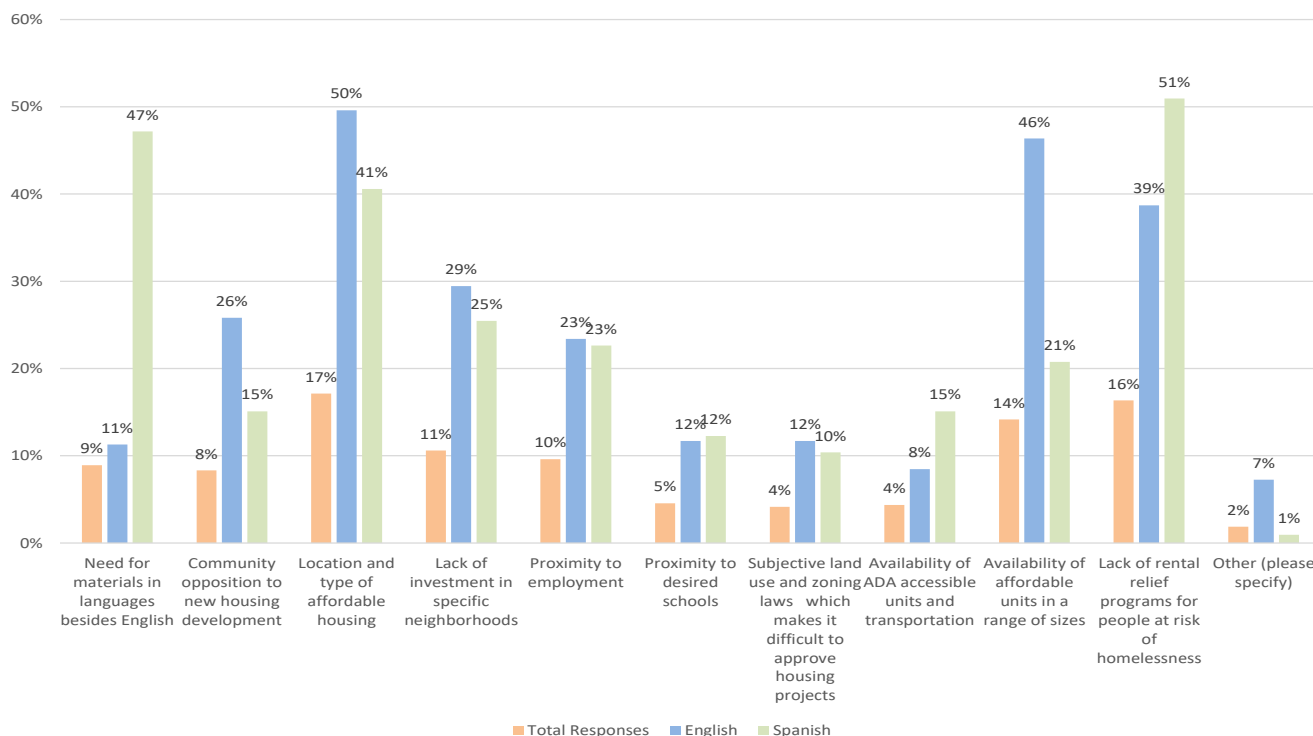
- Cost
- My parents lost their jobs.
- All this very expensive

Q23. Recent California Housing Law and California Department of Housing and Community Development (HCD) require extensive analysis and identification of contributing factors for a series of fair housing issues as part requires the 2023-2031 Housing Element to include local resident and stakeholder input. Please select the most important contributing factors impacting housing in Gilroy (select up to three):

Total: Answers = 377; Skipped = 123

English: Answered = 257; Skipped = 110

Spanish: Answered = 120; Skipped = 23



English Responses:

- We have a good police department, but not enough of them. No new housing without additional city services including new water sources. Weather from air dehydration as an example. Medical services are virtually non existent except for the emergency room!
- homes being sold to outside investors
- Lack of well-paying jobs for EXISTING RESIDENTS.
- no opinion
- Not sure what sizes are needed, whether for singles or large families, but there seems to be a lack of affordable housing for very low income households.
- Too many very low income housing; need housing for moderate income households
- Continue need for tenant dispute resolution help

- We need to work on transportation/commute before expanding the city. It's ridiculous that it take 1 hour to get to work in San Jose because there is no work in town.
- Gilroy is the LAST affordable place in SC county. So affordability is not a issue. The issue is the city isn't doing enough to bring in high paying jobs. The only option people here have is to commute to the valley or work retail/service jobs. The city planners are too busy building low income housing, which is going to make matters worse. Bring in some industry, high tech, and other high paying jobs, and people will be able to afford the homes. That's the way to address the housing crisis, NOT more government funded programs.
- Lack of investment in schools in low income neighborhoods such that large differences in terms of access to technology, field trips, and other resources exist between schools in low income areas and schools in moderate to high income areas (largely connected to differing opportunities of parent groups to fundraise)
- Council should realize many want Gilroy to remain a community and moving a bunch of people in through stack-n-pack units will destroy that community.
- Lack of local high-paying job opportunities.
- lack of housing affordable housing for low income, extremely low income, and unhoused people.
- Some City Council members opposition to affordable housing
- Lack of affordable housing
- None of the above
- More Section 8 housing units are needed.
- California should not require Gilroy to change or add different housing types. Nor should Gilroy get paid as an incentive to add more affordable housing. This is a corrupt way of business.

Spanish Responses

- It would be good if they didn't ask for credit because many of us don't have credit.

Q24. Rank your agreement with the following statements from strongly disagree (1), somewhat disagree (2), somewhat agree (3) or strongly agree (4).

Total: Answers = 418; Skipped = 92

English: Answered = 287; Skipped = 80

Spanish: Answered = 131; Skipped = 12



Q25. Please share any comments or recommendations that will help inform and guide the preparation of the City's updated Housing Element.

Total: Answers = 110; Skipped = 400

English: Answered = 77; Skipped = 290

Spanish: Answered = 33; Skipped = 110

English Responses:

- All of the low income dwellings bring lots of police and mental health activity. Most of the homeless population in the city are mostly drug addiction or mental health. They refuse to get clean to and refuse assistance because living with no responsibilities or rules is easiest. Some have families that live locally that they harass for money or their steal property. Homeless commit crimes of theft from stores and homes in the area and get away with it. The city or DA's office does not allow the police to police anymore. We need to quit giving them everything they need to stay here and terrorize downtown business and tax paying residents.
- WHEN CONSIDERING AN INCREASE IN NEW HOUSING, THERE NEEDS TO ALSO BE AN INCREASE IN GROCERY STORES AND PARKING TO ACCOMMODATE THE INCREASING POPULATION
- I love Gilroy and all it offers!
- Too many stores have closed, the water is becoming toxic and is in a declining supply. Existing city services such as fire and police hire good people, but there is not enough of them for the existing population. Drugs, guns and gangs are taking over. Medical care is lacking - why can't you attract quality medical care? Worse the city doesn't have the funding to improve on these things. The city has no business allowing any developer to even think about another housing project. Get your priorities straight - improve what you have before trying to build more ghetto like housing. The way to correct homelessness is through education and better employment opportunities. See if you can work on that - find a developer for that, not more crowded housing like Eagle ridge and that mess west of Santa Teresa.
- Homeless is an issue in Gilroy too many homeless in the streets. housing developments such as apartment building are run down make landlords liable to fix these units
- Provide housing for the people who are here, not the ones you are hoping to replace them with
- I have been here over 13 years I stay with my parents I'm on ssi and am in need of housing my dad wants me out but I don't have section 8 I need a apartment for 300 or 400 dollars a month not unless I can get housing everywhere I look it's 1,000 or more please help me get housing.
- Gilroy is a bedroom community for Silicon Valley, across all socioeconomic levels. (Although more tech professionals can WFH than before Covid-19!) Getting hourly trains from Gilroy to Palo Alto should be a priority. (Not a housing issue per se, but if people are spending less on transportation, they have more for housing.)
- moderate and Middle income Gilroy homeowners being ignored yet they pay their part in property taxes.
- Gilroy needs 3-4 bedroom town houses, condos, and houses. Reasonably priced!
- I love Gilroy!!!
- We shouldn't keep building just to build, each home should be made thoughtfully and invested in with purpose for future sustainability. Our biggest resource is the sun, let's use it and normalize accessibility to solar powered homes/communities/schools. Water is also a diminishing concerning resource as well. How can we be resourceful in that regard as well?
- A lot of cockroaches near the schools. Sidewalks are dirty. Sometimes shoes hang on electricity wires. Roads have potholes and not always paved alley ways. People let their dogs poop anywhere and everywhere so more garbage cans or doggie stations would be nice throughout.
- not sure if you can do anything about this, but marijuana smoking is a problem. I shouldn't have to smell neighbors smoking weed when I'm in my house.
- The school systems and Gilroy are very poor. And the closest good store is in Morgan Hill to shop bad. Crime and homelessness is on the rise in all areas of Gilroy. I am not comfortable walking up at the levee or around town.
- Stop building housing for new residents and concentrate on responsibly serving existing residents. Promote creation of well-paying jobs for existing residents. Look for ways to REVERSE irresponsible growth in Glen Loma and Hecker Pass. Target 50,000 as maximum sustainable Gilroy population.
- Combine with traffic and roads and parking on site, not on the street. The cars on the street at some units make them look like the projects taking away from the experience of all
- Where are the amenities with all the new housing going in!
- I'm scared that at any moment I could become homeless. If that happens, I will surely lose my job, my pregnancy and possibly my mind. It will be so hard to come back from that. But the prices in Gilroy for the most basic apartment, are simply unreasonable.
- We need extremely low income units
- More affordable housing opportunities of all kinds
- We need workforce housing opportunities
- Commercial linkage fee to pay for this type of housing

- Inclusionary housing ordinance to require 15 percent affordable units in all new residential development
- The major problem for typical residents are the costs to buy and own. If the city of Gilroy wants to truly help employees, focus on the ones that work - not the ones who don't. Help them by reducing the amount of crap in the following: 1) make building and adding ADUs as simple as possible 2) Help working-class people qualify for loans 3) keep free enterprise as the basis for your programs. Do not adopt socialism or worse yet, reward for those who do nothing.
- I don't live in Gilroy but I serve clients who live in Gilroy.
- Need to focus on housing for middle income households; excessive amount of very low income housing already exist or planned in Gilroy beyond county requirements.
- Please provide 55+ apartment, or single parent duplex communities that are affordable.
- Transitional housing options for folks at-risk of being homeless and currently homeless. Options such as ADU's, tiny homes, etc.
- "High quality" parks are needed for children. Just a few newer parks have been built where new developments are. The existing parks have not been updated.
- Unbiased studies need to be conducted. No new housing should be built until the current residences needs are addressed.
- Invest in a more walkable and bikeable Gilroy! Most businesses and amenities are along main thoroughfares or in specific parts of town, forcing most residents to drive for groceries, shopping, and other amenities. These same thoroughfares are often how drivers exit town on their way to workplaces outside the city.
- Invest in more mixed use zoning, especially in zones that are currently just residential.
- We really need to figure out commute time and access. We need more Caltrain service and expand 101 into San Jose. We need to work to afford to live in town so facilitate that first before building more homes and no jobs or roads.
- Gilroy has done more than it's share of home building over the past 20 years with one of the highest growth rate in the Bay Area, yet the price of housing has just skyrocketed! Obviously building more quantity is not the answer. First-time homebuyers and renters need financial help from the State or Federal government. The rents charged for even the affordable units are out of reach of many. I am not sure just building more units will help them.
- Overpopulation and low income housing is devaluing the city and more and more crime is evident
- Miller Park is disgusting it was our closest park for the kids and I stopped going altogether. The homelessness problem and drug use was out of control their. The police presence was completely absent unless a fight, overdose, or rape occurred. Its incredibly sad to see Gilroy feel the need to be like downtown Los Gatos. You have a predominantly Mexican population and you should be proud to cater to these traditional customs and not white wash it.
- I have lived in Gilroy my whole life I was born here. My kids and I are domestic violence victims and we are looking into moving out of my moms house but it's hard cause their is really no open waiting list or programs to help me with rent when I need it
- Bring industry and high paying jobs to the city, if you want to address the housing problem. Flooding the city with low rent apartments isn't the solution. It's going to lead to overcrowding and crime. Gilroy already has a high crime rate and an influx of low income housing is only going to make it worse. If this keeps up, all the tax paying, upstanding, home owners are going to leave the city in droves. I guess it'll definitely become affordable to live here then.
- The city and community organizations such as churches and non-profits should combine their efforts to create several types of tiny home communities for the homeless from bare minimum shelter (shed structures with access to showers and toilets) to permanent long term tiny house.
- I would love to see the city do more to promote organic, sustainable farming practices in our community in an effort to improve air and water quality.
- I don't mean to sound mean or selfish, but Gilroy is doing pretty good. Attracting low-income and homeless is not going to improve the quality of life for Gilroy.
- Infill development needs to occur within in existing infrastructure. Affordable housing for working families.
- Horrible water alkaline off the charts
- A city of homeowners is a better place to live than one with a bunch of apartments. Build more single family homes with yards and the quality of community will remain healthy and crime will remain low. Also, consider a regulation preventing REITS and other large investment firms from buying housing in Gilroy. Keep the houses in the control of families, not conglomerates.
- We need more multifamily and affordable housing for families. Quality homeless shelters and transitional housing would help the homeless that are forced to live in vehicles and tents.
- We would love for the city of Gilroy to respect and maintain the beautiful outdoor spaces, lands and Not over develop. This is why we moved to Gilroy over 25 years ago. We have seen many, many new homes developed in the past several years. Traffic has worsened, roads need repair, and it is starting to feel like we are no longer in the country.
- Too many of our residents live in Gilroy but commute to work in Silicon Valley. Gilroy needs to attract businesses that can employ these tech workers, bringing wealth, investment and a sense of community to our city.
- Homeless & crime is a large impact on community, increase in both is a concern. Roads & traffic are also being impacted by so many new homes being built with no new accommodations being made with these increases! How can one pay a million dollars or more for a home & have homeless encampments everywhere in town.
- None at this time

- Make sure there are easily accessible crosswalks that are lighted for seniors, children and families. There are many areas in the City that do not have great cross walks, especially near parks and people jay-walk all the time
- Gilroy is highly segregated, poorly designed from a city Planning perspective, including shopping and amenities. Old money, power relations and structures, old thinking and politics controls Gilroy. Please do things differently.
- We need additional housing for low income, extremely low income, and unhoused persons. My belief is we have taken on our fair share of middle income and high income housing, and should curb other development unless we have proven resources to support, and adequate protection for the environment.
- We need better infrastructure. All these homes are being built with no investment into a new grocery store, places to eat, places to shop. Gilroy needs more of the above items, otherwise people will continue to spend their hard earned money in other cities like Morgan Hill.
- I do not support projects that do not have to contribute to impacts such as traffic, public safety, and recreation/parks.
- Stop housing and business development impacting natural environment. e.g Hecker Pass
- Do not expand Gilroy with more new builds without investing in infrastructure, downtown and diversifying the businesses we have. Are there incentive programs (for homebuyers and/or owners) that we can implement to fix up our less beautiful neighborhoods before we just start building cookie cutter neighborhoods on the outskirts of town? It's embarrassing to be from Gilroy when our neighbors (Morgan Hill, Hollister and even San Juan Bautista) have grown so well!
- I'm not sure if this is a city or utilities issue but if high density housing is going to continue to be built there needs to be something done to address the unreliable power service we have been receiving here. The power outages due to fires is to be expected but our power goes out for hours — and even days— with no weather or fire issues at all. I really feel that in order to continue to allow building to continue at the pace it's been going this and the homeless encampments need to be addressed.
- Council members not supportive of its most vulnerable population. Recall mayor
- Build no housing until the drought is over.
- Need more transportation options and improve our streets pot holes.
- Please consult with Social Service agencies, both public and non-governmental. They know the needs better than those of us not seeking housing at present.
- I love living in Gilroy because of the open farmland and the various parks. I also love that it's not overcrowded with so many people living in one home that there's no parking on the street.
- Please keep in mind parking when planning as well as not charging HOA dues.
- Just don't make Gilroy lose its hometown feeling/look by overcrowding with so much housing and integrating apartments and low income housing right next to expensive and nice homes.
- My dad gave us the down-payment so that we could meet lender qualifications and closing costs. Our loan went thru modification due to being predatory in nature; if the modification wasn't approved, we would have lost the house. The taxes and insurance added to the mortgage payment is almost unachievable; we are happy that we are getting the tax write-off as opposed to the landlord.
- The city needs to focus on creating affordable housing rather than falling for the political "selling the dream of homeownership" rather than providing adequate affordable housing. Once the homelessness crisis is addressed, then they can focus on "selling the dream of home ownership."
- I just found out - based on this survey - that we are again low income; we always just squeaked under the poverty line when the kids were young. Though we are doing ok, it's sad to know that we are again considered low income - the outrageously high cost of living combined with extremely high land values are driving people, especially families away. Why stay here just to struggle to make ends meet and find affordable rental housing, when they can move to other states where they CAN afford to purchase a home with land - the politicians are driving California to the bottom of the list - we used to be at the top of the list.
- I feel like Old Gilroy is neglected. The streets are not well taken care of, and the houses are also not taken care of, I'm assuming because of the amount of renters to owner ratio. There needs to be some kind of accountability for renters to take care of their dwelling, and for apartment owners to make their complexes up to some standard
- Gilroy should stop all detached housing construction and focus on job creation. Next priority should be on reliable, frequent, extensive and affordable public transportation.
- Do not continue to add assistance programs, affordable housing programs, etc. Put actual limits on the assistance that you do have. Most anyone that has relatively good health has no business being unemployed. If they say they can't make enough working only one job then they should get 2 jobs and continually try to add new skills and education until they can get a better job that pays more. I always loved that Gilroy residents were proud, hardworking, no nonsense, people. People that would rather take a second job or work an extra shift before they put their hand out asking someone else to give their hard earned money to support them. Unfortunately, everyone, especially our younger generation have no issue begging for others money instead of working. Complaining about how hard it is instead of realizing if they just push through, work harder, they will make it. I think there should absolutely be some forms of government assistance available. There are legitimate reasons why people need help but the help has to have limits. These programs are destroying our communities and handicapping the people you think you're helping. And what's frustrating to every hard working person who pays their taxes is that you're taking our hard earned money from us just to throw it away in programs that never work while bringing in more of these people who abuse these programs into our neighborhoods. Crime rates go up, the hardworking, proud people who moved to Gilroy to get away from cities like San Jose have to then sell their home and move away because your

well intentioned programs had no regard for the families that already live here. I can't tell if this makes sense because the box is so small but I hope you get the picture and hopefully someone actually reads these.

- The city needs to prioritize resources for the unhoused population. City council members need to be better informed about how to appropriately address race and equity related to housing and overall planning. Climate adaptation also needs to be incorporated into this update. There are lots of county resources focused on increasing tree canopy, portable air filtration systems and using buses as cooling centers.
- We absolutely must build housing for the residents being pushed out by all of the "above moderate" housing. Affordable units aren't at all affordable for those working in Gilroy and our city has done too little for too long to address housing inequalities. Our people without housing is increasing because generations of locals are being silenced and ignored. The majority of voters voted for Zach and Rebecca who have robust inclusionary housing goals, want attainable housing options for lower income residents and yet time and time again our current council ignores and outvoted them. It is disheartening and frustrating to live in such an unresponsive town.
- Homeless persons w/drug addictions need permanent housing. Most housing requires sober living. If they use they're out on the street again. Where do they get to live? Also, some mentally ill people need to be monitored. Its more than just a roof, they need special care and support without being institutionalized. What can the City plan for these circumstances?
- Investing in affordable homes will dignify families that want to live in a nice area as Gilroy. Where are the plans for that? Politics sometimes don't help on this topic
- Create suitable housing for the homeless in Gilroy and stop shipping them to San José
- Focus on schools and transportation. We have plenty of housing in comparison to those needs. Stop pandering to the homeless and your homeless problem will greatly resolve. It's not heartless to encourage people to move to more affordable areas. Many of our relatives have moved to other areas and states. It's time to grow up and become adults about this. I don't go to an expensive restaurant and expect them to hand out their door for free. This is no different. Basic economics folks.
- We need to look at traffic issues.
- It may be nice to have a Trader Joes in Gilroy's southside. Mesa Ranch area.
- Thank you for the opportunity to participate in this critical issue.
- Over 40% of black/brown people are lower working class and this seems like a good time to raise them with offering them the dignity of owning a home, making better homes available and not packing them into more housing apartments like sardines and saying we're helping. What they're paying for apartments is what they should be paying for a mortgage. It's a shame how \$100k is now considered low income in our city.
- Gilroy does not need to add more affordable housing to our already crowded city. There are enough places other than Gilroy to live if it's not affordable here. We also do not need to build rehab facilities or shelters for the homeless issue. Most of the homeless population are homeless by choice. The temp shelters will continue to perpetuate the irresponsible free life that the homeless community desires. All you need to do is interview people who work directly with the homeless and see for yourself that giving to them is not helping them.
- Our family is considered middle class but we will never be able to afford a house in Gilroy, despite saving regularly. That means we will have to leave in order to buy a house elsewhere. Gilroy is too focused on providing rentals. To close wealth disparity, give people easier access and affordability to own homes.
- All of Gilroy's water is ridiculously hard. I don't think just building houses or apartments will make people use them. People are homeless for a multitude of reasons. Address those and build out programs for that in conjunction with some sort of housing. No one that I know in Gilroy likes how low-income/high density housing looks. It's too metropolitan.

Spanish Responses:

- You have to build apartments at extremely low prices.
- That houses were built for extremely low excesses
- Gilroy needs housing for extreme low income
- Update the tabulators of the salary averages and the availability for housing payment, according to the current inflation.
- In Gilroy there are no technology companies to have prices close to those of Santa Clara, San Francisco. So there is no justification for having such high housing since the salaries mostly do not come from that branch.
- need money
- The city needs more extremely low income housing units. There are very few. The focus is always on low and very low. There are many people who can't afford low and very low income housing in Gilroy.
- We need low income apartments.
- Homes that adapt to our budgets.
- Need homes for extremely low incomes
- Gilroy needs extremely low wage housing.
- We needed extremely low income housing.
- We need housing for extremely low income farmworkers.
- We need low income housing.
- That the owners arrange the apartments that give washing machines to all the apartments.

- Take the community into account at every step.
- Maintenance of old houses.
- Extremely low income housing is needed in Gilroy.
- That they build more very low income villas. That there is no rent control every year!
- We need more housing for extremely low income people.
- We need very cheap homes because the income is very low and everything is very expensive.
- Give more publicity to housing assistance programs
- More affordable farmworker housing
- Well, beyond living more accessible for fieldworkers
- lower rents
- Rent prices are very high, we need rent control
- More low-income housing is needed
- We need economic living
- Need houses at lower prices. financial aid
- Please be aware of the requirements that they ask for to rent a place.
- Safety in Gilroy has been down. I live in the area of Las Animas park, where it used to be quiet and safe to go to the park. Now it's neither of them. And lately neighbors are suffering from theft of car parts in the middle of the day or night.
- More information in Spanish for the Hispanic community
- Previously the city had a program where families could work on the construction of the house and could buy it. This would be a very good option.

Virtual Workshop – March 30, 2022

On March 30, 2022 the City of Gilroy sponsored a virtual workshop focused on educating the community about the Housing Element Update planning process. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well a summary of the most frequently voiced concerns.

- How can our city and region assure the building of housing does not outpace available resources? Our water resources are dwindling.
- How can we as community/housing assistance programs assist those in leadership positions to "Fast Track" building affordable housing (Particularly for the disabled community)?
- Is the city considering any reductions in impact fees to encourage more development?
- Have any office buildings or motels been reviewed for possible housing for our unhoused?
- The responsibilities fall on other cities like ours. Most folks in affordable housing are not Gilroy. We need to house our own and get resources. Why aren't other cities taking their fair share of the responsibility. It's been 30 years without enforcement
- We definitely need more supportive housing! I believe many of the mentally ill would be able to function better if they had some supervision and were able to stay on their medications.
- We need more parking, especially for affordable units.
- In addition to having a serious concern about our housing crisis, I have an infill 10,000 sq ft zoned r3 and as a PUD parcel in Gilroy. I would like to develop this land in a way that would help our City achieve some of our target goals for the lower income population. My biggest concern is dealing with the whole permitting process.
- As a current homeowner who really values Gilroy's diversity (racial/ethnic, socioeconomic, political) I really hope that we prioritize ensuring that low-income and working families can always be a part of our community. Gilroy should be a place that someone can realize the "American Dream" by working hard, raising a family, and be able to own a home. Opportunities not only for affordable rental housing but also for affordable home ownership will be critical.
- Is Supportive Housing for the homeless part of this plan? That is housing that includes resources that address medical needs, mental health needs, good public transportation, etc?
- 91% of Gilroy adults with developmental disabilities live at home with aging parents or in segregated licensed care facilities not by choice but because of the lack of deeply affordable housing available. This is an issue that affects people of all abilities in Gilroy. As we saw in tonight's presentation median income in Gilroy is significantly lower than Santa Clara County's AMI which means that the majority of low income Gilroy residents will most likely fall well below VLI maximum income. In RHNA cycle 5 the city exceeded its low income RHNA but as of 2021 has met only 63% of it Very Low Income RHNA. The city needs to develop policies and programs to create housing at affordability levels to specifically promote development of housing at deeper levels of affordability.

Virtual Workshop – June 28, 2022

On June 28, 2022 the City of Gilroy sponsored a virtual workshop focused on the RHNA sites and housing programs of Housing Element Update. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well a summary of the most frequently voiced concerns.

- All but a few lower income sites are in areas designated by the state as low resource. How will you meet requirements to affirmatively further fair housing?
- These maps appear very segregated, all of the "low and affordable" on one side and moderate on the other side. What can we do to spread the demographics?
- The train does NOT provide robust service, nor has it for years now. I believe these policies are outdated.
- There is no enforcement on this new policy, especially not in Gilroy. Landlords and property management companies flat out refuse to take vouchers.
- Is there any way to plan housing for Gavilan College students?
- Will the western side of the city have a variety of housing; condos, market rate apartments, and single family? Something to consider is changing demographic needs, smaller family size (or no children) and the desire to downside in retirement years
- Can survivors of gender-based violence be considered under this category?
- Will year-round emergency shelter be proposed?
- Community members have also requested that an ongoing, multi-year source of funding for basic needs services for homeless residents be identified, rather than requiring providers to reapply each year. Will this be incorporated in the housing element?
- Will an Inclusionary Housing ordinance be prioritized?
- It's wonderful to see farmworker housing on the list! A big thank you to staff and consultant, great work

CITY OF GILROY HOUSING ELEMENT

**6TH CYCLE
2023 – 2031**

HCD Review Draft #2

April 26, 2023



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Introduction

Purpose and Content

The City of Gilroy's 2023 – 2031 6th Cycle Housing Element has been prepared in compliance with the State of California Government Code Section 65302 and in conformance with the Housing Element Guidelines as established by the California Department of Housing and Community Development (HCD). This Housing Element sets forth the City's overall housing objectives in the form of goals, policies, and programs.

Relationship to Other Elements and Plans

This Housing Element identifies goals, policies, and programs that guide housing policy for the City for the 2023 – 2031 planning period. The goals, policies, and programs are consistent with the direction of the City's other General Plan elements, specifically the Land Use Element, Potential Hazards Element, and the Environmental Justice Element. Each goal is followed by one or more policies that are designed to provide direction to the policy makers that will enable progress toward the goals. Consistency will be reviewed as part of the annual General Plan implementation progress report as required under Government Code Section 65400. As amendments are made to the General Plan, the City will also review and revise the Housing Element for ongoing consistency. Listed after a discussion of the goals and policies are the programs designed to implement the specific goals and policies.

The Housing Element goals, policies, and programs aim to:

- Encourage the development of a variety of housing opportunities and provide adequate sites to meet the 2023 – 2031 Regional Housing Needs Allocation (RHNA).
- Assist in the development of housing to meet the needs of lower- and moderate-income households.
- Address and, where appropriate and legally possible, remove governmental constraints to housing development.
- Conserve, preserve, and improve the condition of the existing affordable housing stock.
- Promote equal housing opportunity for all residents to reside in the housing of their choice. These objectives are required by and delineated in State law (California Code Section 65583 [c][1]).

Public Participation

The City of Gilroy made a diligent effort to encourage public participation in the development of the Housing Element. Outreach for the Housing Element update began in 2021, starting with City Council public meetings to introduce the housing element update process and to get initial

feedback on potential programs for inclusion in the housing element. The City of Gilroy also participated in a regional (virtual) outreach meeting through the Santa Clara County Collaborative that included residents and stakeholders from Gilroy, Morgan Hill, and the County of Santa Clara; approximately 20 attendees participated in the Gilroy breakout room. Targeted outreach began in January 2022. This involved engaging a diverse group of people in the planning process, including community members, stakeholders, service providers, educators, and the Planning Commission and City Council in identification of Gilroy's Housing Element housing issues and goals.

Additional details about the public outreach process can be found in the Affirmatively Furthering Fair Housing Chapter. In summary, the public participation program included:

- **Website.** An interactive housing element update website, launched in February 2022 and accessed through the City's webpage, which included a description of the project, how to provide input, workshop dates and video recordings, a link to the Housing Element update survey, FAQs, and the draft Housing Element.
- **Surveys.** A bilingual (Spanish) online community survey was heavily promoted through email list notification, project website, flyers, stakeholder interviews, community workshops, and handed out in person.
- **Stakeholder Interviews.** Four focus groups were held on Tuesday, March 29 at 1:00 p.m.; Tuesday, April 5 at 1:00 p.m.; Thursday, April 7 at 1:00 p.m.; and Tuesday, April 12 at 10:00 a.m. to gather input from community members and housing service providers.
- **Community workshops.** Two bilingual virtual community workshops were held on Wednesday, March 30, 2022 at 6:00 PM, and Tuesday, June 28, 2022 at 6:00 PM. The website was updated to include information about the community meetings and the project planner sent emails to notify individuals on the mailing list which included stakeholders, community service providers, and members of the public. The links to both the English and Spanish language presentation video recording were posted on the Housing Element Update website.
- **Equity Advisory Group Meeting.** On August 23, 2022, the City gave a presentation to the Santa Clara County Equity Advisory Committee. The purpose of the presentation was to provide a brief summary of Gilroy's demographics and housing trends, including income levels and housing inventory. The meeting also included a summary of public outreach efforts, survey results, and stakeholder feedback. Staff also introduced the draft housing goals, a snapshot of some of the proposed housing programs, and a look at the RHNA sites inventory map. The session also included questions and answers related to the Housing Element. The Equity Advisory Committee consists of 15 community-based organizations that represent and/or serve the County's diverse community. They include organizations that represent ethnic communities, provide direct services including housing assistance, or work on housing-related issues.

- **Study Session.** One bilingual joint study session with the Planning Commission and City Council was held on August 29, 2022 at 6:00 PM. All the efforts of notifying the public that were made for the two community meetings were repeated for the joint study session. The links to the presentation video recording were posted on the Housing Element Update website. The joint study session focused primarily on RHNA site strategy, housing issues, and proposed programs included in the Housing Element. It included a robust discussion of housing issues and responsive programs to meet the needs of all Gilroy residents. The meeting was well attended by both Spanish and English-speaking residents and stakeholders.
- **Public Draft Community Meeting.** One virtual community meeting was held on Tuesday, September 27, 2022 at 6:00 PM. The link to the presentation video recording was posted on the Housing Element Update website. The meeting provided the community with a high-level overview of the Draft Housing Element chapters and appendices, the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact on housing production, removal of governmental constraints, and meeting special housing needs.
- **Public Draft City Council and Planning Commission Public Hearings.** Following the release of the first public draft, the City held two in-person public hearings. The public hearings were held Monday, October 17, 2022 at 6:00 PM (City Council) and Thursday, October 20, 2022 at 6:00 PM (Planning Commission). The purpose of the meetings was to provide the public and the City's decision makers with another opportunity to provide comments and suggestions prior to sending the draft to the California Department of Housing and Community Development for their review.
- Farmworker Outreach. In November and December 2022, the City of Gilroy worked with staff from the Ochoa Migrant Camp to survey resident farmworkers. Twenty-six (26) surveys were completed by the farmworkers with assistance from bilingual staff at the Migrant Camp. Feedback from the farmworkers was summarized in the Special Needs Groups section in the Housing Needs Assessment chapter of the Housing Element. The City of Gilroy also modified Programs E - 7 and E - 11 to help facilitate needed housing for farmworkers who work in and surrounding Gilroy.
- Youth Commission and Gavilan College Outreach. On December 12, 2022, City staff attended the Gilroy Youth Commission meeting to discuss the Housing Element update, answer questions, and gather feedback from youth in attendance (~15 to 18 years old). City staff also asked those in attendance to complete the online housing survey and to ask their friends and older siblings to complete the survey. In an effort to reach out to the young adult community, City staff reached out to members of the Associated Students of Gavilan College (ASGC) student body. Eight (8) surveys were completed by the Youth Commission and Gavilan College community.

- Seniors Outreach. On January 25, 2023, City staff made a brief presentation to seniors at the Gilroy Senior Center, informing them about the Housing Element and gathering feedback. Nineteen (19) surveys were completed by seniors in attendance.
- Intellectually and Developmentally Disabled Outreach. On January 24, 2023, the City held a virtual meeting with Housing Choices and intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), informing them about the Housing Element and gathering verbal feedback. On February 15, 2023, the City also met with and gathered verbal feedback from I/DD residents, caregivers, and staff at Villa Esperanza, a facility that provides low-income apartment units and services for persons with disabilities.

Summary of Comments Received

During the initial outreach process (prior to the release of the public draft) the City heard comments ranging from: difficulty paying rent, mortgage or down payment; homelessness; and insufficient housing supply including affordable housing, farm-worker housing, and preference on locations for future housing. Many of the programs proposed as well as the RHNA sites inventory in the 2023-2031 Housing Element reflect the community input. In summary, the community engagement and input yielded the following themes and feedback:

- **Affordability:** Participants expressed the difficulties to afford homes and rent in Gilroy and the larger region; specifically identifying first time home buyers, farm workers and seniors as key impacted groups. Participants expressed concern that Gilroy incomes are lower comparatively to the regional median; therefore, housing that may be affordable for the surrounding region may not be affordable for Gilroy residents. Program A - 11 consists of the development of an Inclusionary Housing Policy to establish inclusionary housing requirements so that new developments reserve a percentage of the total units for lower- and moderate-income households.
- **Importance of Investment in East Gilroy:** Participants noted a disparity in housing and quality of infrastructure and amenities between the east side and west side of the City. Participants noted the importance of investing in downtown to provide access to necessary resources and adequate infrastructure concurrently with housing development. Program F - 3 is included to ensure place-based investments and improvements are occurring in the eastern areas of Gilroy, especially in the downtown area.
- **Education and Outreach:** Participants expressed a lack of community engagement and education on affordable housing, accessory dwelling units (ADUs), available housing services and programs, and housing policy. Programs G - 2, G - 3, G - 5, and G - 8 implement outreach and education strategies to increase community awareness about ADUs, housing resources, and available fair housing support. Program G - 4 provides focused outreach in the downtown area.

- **Prioritizing Extremely Low-Income Housing:** Participants addressed the need for prioritizing development of extremely low-income units. Additionally, residents expressed the need to prioritize the allocation of these extremely low-income units to existing Gilroy residents. Program A - 12 considers adopting an incentives beyond density bonus state law program that targets extremely low-income populations and other special needs. Program E - 9 is included to develop a priority system for current residents of Gilroy and individuals working in Gilroy to inhabit these special needs households.
- **Disparity of income between the City and the larger region.** The large difference between the median income in the City and the regional area median income (AMI) was frequently noted in outreach. The difference was \$33,871 (24%) in 2020. Participants expressed the inability to afford lower-income units based on the AMI category income limits. Program E - 9 is included to develop a priority system for the allocation of extremely low-income units, including prioritizing current residents of Gilroy.

A summary of outreach is also provided in the Housing Needs Assessment and Affirmatively Furthering Fair Housing chapters. For complete survey results and additional detail on outreach, see Appendix C: Outreach.

Public Comments on the September 12, 2022, Draft Housing Element Update

The City of Gilroy held a 30-day public review period on the draft Housing Element from September 12, 2022, to October 12, 2022. Twenty-two comment letters and emails were received between January and October 12. The City received two (2) additional comment letters following the end of the 30-day review period. The City of Gilroy received comments from affordable housing advocates and residents. Concerns included RHNA sites analysis, community engagement, and program enhancements. While generally supportive of the City's draft Housing Element efforts, several comments requested additional or enhanced programs as well as additional analysis or rationale on the site selection. Many of the suggested programs were included in some variation in the draft housing element. Program examples include enhancing the ADU program, seeking more grants and technical assistance, and enhancing community engagement and education.

Comments fell into several categories including:

- ADU promotion and incentives (see Program A - 6 and A - 7)
- Tools, techniques, and funding sources to increase affordable housing (see Program D - 1, D - 2, D - 3, D - 4, and D - 5)
- Streamline permit process (see Program A - 9 and B - 5)
- Provide rationale for RHNA sites and how they Affirmatively Further Fair Housing and the needs of Gilroy (addressed in the AFFH and Needs Assessment sections)

- Expand on community and stakeholder engagement process (see Program G - 1 and G - 2)
- Displacement and tenant protections (See Program F - 5)

ADUs

Commenters called for more programs and incentives for ADU production and affordability, through methods like reduction of development standards and incentives for below market rate units. Commenters also suggested funding programs for ADU production through a Community Development Financial Institutions Fund (CDFI) program. The original draft included Program A - 6 to track and monitor its ADU production to ensure that annual production matches the RHNA assumption. Program A - 7 commits the City to providing pre designed plans to expedite development review as an incentive to production. In response to public comments received on the draft, the City added a new ADU program (A - 8) which creates a financial assistance program for homeowners who build ADUs with an affordability restriction. The City added program A - 15 (ADU Ordinance Updates) which directs the City to update the zoning ordinance to conform to current state law regarding ADUs. Under this program, the City will replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will streamline the process for approving ADUs in the City of Gilroy. To further incentivize ADU production, the City will increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet. The City also modified its ADU Education Program (G - 3) by including an effort to consolidate its building department and planning department ADU webpages into one so that all ADU information is in one single place online.

Affordable Housing Incentives and Funding

Several commenters expressed a desire for the City to include examples of funding sources and other tools to support and incentivize the development of affordable housing, such as grants through the Metropolitan Transportation Commission and the Association of Bay Area Governments. The original draft included Programs D - 1, D - 2, D - 3, D - 4, and D - 5 to support housing developers and homeless service providers in financing the development of affordable housing. Program D-2 was amended to include the Metropolitan Transportation Commission and the Association of Bay Area Governments as additional funding sources. As noted above, the revised draft submitted to HCD also includes Program A - 8 which creates a financial assistance program, for homeowners who build ADUs with an affordability restriction.

Permitting

A number of the letters expressed concerns regarding the development process in the City and the constraints that result from the process. Commenters recommended several strategies to improve the transparency and turn-around time for getting permits approved. The original draft included Programs B - 5 to streamline the permitting process for affordable housing and Program A - 9 that implements a new online permitting system. The revised draft

submitted to HCD includes Program B - 8 which creates an Entitlement Roadmap Webpage on the City's website that provides simple and clear information on how to navigate the City's permitting process, including projects that can be approved ministerially or through a staff level administrative process.

Engagement and Education

Commenters called for a more extensive community engagement process to reach as many stakeholders as possible and keep them involved throughout the process. Commenters iterated the importance of the promotion and education on housing programs and resources and provided strategies to address this topic. The original draft included Program G - 1 and G - 2 to create education and awareness and to enhance the City community outreach strategy and relations. The revised draft submitted to HCD adds three new programs to improve engagement and education (G - 6, G - 7, and G - 8). Program G - 6 consists of educating the public on homelessness, consolidating information on resources for the unhoused population, and restarting monthly meetings of the unhoused service providers group. Program G - 7 increases bilingual services and advertises the City of Gilroy's collective bargaining bilingual pay benefit to attract new staff that can assist the Spanish-speaking community in the City. Program G - 8 creates a Help Center Webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid.

Tenant Protections

Anti-displacement and tenant protections were prominent issues discussed by commenters. Several programs were suggested to address these concerns, including tenant relocation assistance, eviction reduction, security deposit limits, Fair Chance Ordinance, legal assistance, and first refusal to purchase. The City amended Program F - 5 to include organizing a focus group to explore displacement prevention policies and completing an analysis of best practices in jurisdictions that are similar to Gilroy, within approximately two years of Housing Element adoption.

Program Changes in Response to Public Comment

In response to public comment the City made a number of additions and changes to its programs during the 10-day revision period in October 2022. The following additions and changes were made to programs to accommodate the needs of the community.

- Modified Program A - 6 (ADU Tracking and Monitoring and Ordinance Updates) to include the commitment to coordinate with HCD and revise the ADU ordinance in conformance with state law.
- Added Program A - 8 (Incentives for Affordable ADUs) to develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers, upon securing adequate funding for the program.

- Modified Program A - 11 (Inclusionary Housing Policy) to include a requirement that developers market both Below-Market-Rate (BMR) units and accessible/adaptable units in developments.
- Modified Program A - 12 (Incentives Beyond Density Bonus State Law) to include households with intellectual and developmental disabilities as a special needs group to consider in the expanded program. The City also noted that the Inclusionary Policy could be structured like a Density Bonus program with incentives that are tiered by level of affordability provided.
- Added Program A - 14 (Coordination with Santa Clara Office of Supportive Housing) to continue the partnership regarding the development of affordable housing on the property at 8th and Alexander, including offering impact fee waivers.
- Added Program B - 8 (Entitlement Roadmap Webpage) to develop a website to provide clear and simple information about the City's permitting process for residential development. Information will include a flow chart, FAQs, live links, and application forms.
- Modified Program D-2 (Funding Sources to Assist Homeownership) to include the Metropolitan Transportation Commission and the Association of Bay Area Governments as additional funding sources.
- Modified Program E 6 (Reduced Parking Requirements for Senior Housing) to include discussion of AB 2097 which prohibits minimum parking requirement for projects within one half-mile of public transit.
- Modified Program F - 5 (Displacement Prevention Policy) to include organizing a focus group to explore displacement prevention policies and completing an analysis of best practices in jurisdictions that are similar to Gilroy.
- Modified Program G - 3 (ADU Education) committing the City to consolidate its two ADU webpages into one page, so that all ADU information is located in a single location.
- Added Program G - 6 (Unhoused Population Education and Outreach) to educate the public about the unhoused population and homelessness in the City. The program develops a dedicated website on homelessness, creates printed information for distribution at City Hall and by code enforcement officials in the field, posts resources for the unhoused population on the City website, and commits the City to restarting the unhoused service providers group meetings.
- Added Program G - 7 (Bilingual Engagement) to increase availability of bilingual outreach materials and advertise the City of Gilroy's collective bargaining bilingual pay benefit to attract new staff that can converse with the City's Spanish-speaking population.

Program Changes in Response to HCD Comments

Sufficient Sites. The City revised Program A-1 (No Net Loss Inventory and Monitoring) to include the addition of a no net loss inventory list; revised Program A - 2 (Surplus Lands/Affordable Housing on City-Owned Sites) to advertise City-owned lands to affordable housing providers, the Santa Clara County Office of Supportive Housing, and developers of special needs housing; Program A - 6 (ADU Tracking and Monitoring) was amended to include an update to the ADU strategy if annual production and affordability rates do not match the estimates included in the Housing Sites and Resources chapter; modified Program A - 10 (Facilitate Missing Middle / Middle Income Housing) to provide more flexibility in the type of units allowed under SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Added Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) to allow 100% Residential in the Downtown Expansion District and provide flexibility for mixed-use projects that accommodate extremely low-income and Special Needs Households.

Governmental Constraints. New programs were added, and existing programs were amended to remove governmental constraints to housing production. Program A - 6 (ADU Tracking and Monitoring) was amended to include an update to the ADU strategy if annual production and affordability rates do not match the estimates included in the Housing Sites and Resources chapter. Program A - 8 (Financial Incentives for Affordable ADUs) was amended to evaluate ADU impact fees if ADU production is lower than anticipated. Program A - 10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size. A-15 (ADU Ordinance Updates) was amended to replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County and to increase the allowable floor area from 1,000 square feet to 1,200 square feet. A - 16 (SB 9 Processing) was added to update the City's SB 9 webpage to include step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy. Program B - 3 (SB35/SB330) was amended to include the creation of checklists and instructions for reviewing and approving SB 35 and SB330 projects, and Zoning Ordinance amendments to ensure that any demolished units shall be replaced pursuant to Government Code Section 65915(c)(3) and Government Code Section 65583.2(g). Under Program B - 7 (Zoning Ordinance update) the City will evaluate development standards for all zones including the Downtown Specific Plan zones for potential governmental constraints. Under Program B - 9 (Building Department Webpage), the City will update the Building Department webpage to include information required pursuant to AB 2234, which should help reduce applicant time and cost and increase certainty. Under Program B - 10 (Zoning Code Annual Updates), the City will establish a process to update City policies, codes and ordinances to comply with new State laws affecting housing and land use. Under Program E - 3 (Emergency Shelters), the City has drafted an update to the zoning ordinance to comply with Assembly Bill (AB) 2339, AB 139, and Government Code Section 65583(a)(4) regarding emergency shelters. Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) will allow 100% Residential in the Downtown Expansion District and allow flexibility

for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households.

Affirmatively Furthering Fair Housing (AFFH). Program A - 10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on all corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size to encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Programs A - 11 (Inclusionary Policy) and A - 12 (Incentives Beyond Density Bonus State Law) will facilitate affordable housing opportunities in the City's higher resource / higher income areas. Under Program E - 10 (Development and Rehabilitation of Housing for Persons with Disabilities), the City will evaluate and revise standards and procedures related to reasonable accommodation and residential care homes (i.e., group homes) as necessary to remove governmental constraints. Program F - 3 (Place-Based Improvements in Downtown Gilroy) will improve conditions in the City's R/ECAP area. Program G - 2 (Community Outreach and Inclusion in the Decision-Making Process) includes geographic targeting in the R/ECAP area. Similarly, Program G - 4 (Increased Outreach in Downtown Areas) directs the city to consider the viewpoints and concerns of all neighborhoods within Gilroy, and specifically the R/ECAP area when drafting the High-Speed Rail Station Area Plan and when updating the Downtown Specific Plan. Under Program G - 7 (Bilingual Engagement), the City will increase Spanish language engagement given the City's large Hispanic population which is further facilitated by the recent expansion of the City's bilingual pay benefits, which should increase the number of bilingual staff available to assist the Spanish-speaking community.

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE

REVIEW OF PAST ACCOMPLISHMENTS

Review of Past Accomplishments

California Government Code Section 65588(a) requires that each jurisdiction review its housing element as frequently as is appropriate and evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.
- The effectiveness of the housing element in attainment of the community's housing goals and objectives.
- The progress in implementation of the housing element.

According to the State HCD, the review is a three-step process:

- Review the results of the previous element's goals, objectives, and programs. The results should be quantified where possible but may be qualitative where necessary.
- Compare what was projected or planned in the previous element to what was actually achieved. Determine where the previous housing element met, exceeded, or fell short of what was anticipated.
- Based on the above analysis, describe how the goals, objectives, policies, and programs in the updated element are being changed or adjusted to incorporate what has been learned from results of the previous element.

Housing Production

The City of Gilroy had a total RHNA allocation of 1,088 units in the 5th Cycle. As of December 2022, 2,605 units have been permitted during the 5th Cycle, exceeding the overall allocation by 1,517 units. About 60 percent of these new units were affordable to above-moderate incomes. The City produced nearly five (5) times (490%) the low-income allocation, approximately 46% of its moderate-income allocation, and approximately 68% of its very-low income allocation. There is a remaining RHNA need of 75 very low-income units and 117 moderate income units. The following table includes data through the end of 2022, consistent with the 2022 annual progress report submitted to HCD.

Table 1: 5th Cycle RHNA Progress (2015 through 2022)

	Very Low	Low	Moderate	Above Moderate	Total
5 th Cycle RHNA Allocation	236	160	217	475	1,088
<u>Building Permits Issued</u>	<u>161</u>	<u>785</u>	<u>100</u>	<u>1,559</u>	<u>2,605</u>
Remaining Requirement	<u>75</u>	-	<u>117</u>	-	<u>192</u>

No Net Loss and Adequate Sites

The 2015 – 2023 Housing Element identified adequate capacity for its 5th Cycle allocation of units, identifying a surplus of 526 lower-income units and 960 above moderate- income units. Additionally, in 2020, the City updated its General Plan to increase densities for specified land use designations and allow mixed-use residential along the First Street commercial corridor. These amendments increased zoned capacity for all income levels in Gilroy.

The City reviewed its 5th Cycle sites, past approvals, and the Zoning Ordinance and determined that it has maintained adequate sites to meet the RHNA for all income levels throughout the 2015 – 2023 planning cycle.

Effectiveness at Assisting Special Needs Populations

This section reviews the City's progress on assisting populations with special housing needs during the 5th Cycle. The City of Gilroy supports the preservation of long-term housing stability and affordability. The City has received and allocated funding to improve access to needs that improve the quality of life among seniors, the homeless, and extremely low-income households during the 2015 to 2023 planning cycle.

Funding for housing, homeless services, and special needs populations during the 5th Cycle was provided through the federal Community Development Block Grant (CDBG) program, CDBG CARES ACT-Corona Virus (CDBG-CV), and the Housing Trust Fund (HTF).

CDBG Funding. For the 2021 – 2022 fiscal year funding cycle, the City allocated \$205,905 in CDBG funds toward community service needs, including senior services (\$17,560), youth services (\$38,452), health services (\$10,250), and home repair (\$140,000). For the 2022 – 2023 fiscal year, the City allocated \$205,452 in CDBG funds towards senior services (\$10,000), youth services (\$55,452), and home repair (\$140,000). Specific programs and recipients varied slightly between the two fiscal years.

CDBG-CV Funding. The City also allocated \$613,154 in CDBG-CV funds towards programming that would address the impacts resulting from the COVID-19 pandemic, including St. Joseph's Rental Assistance (\$287,309), small business assistance (\$225,486), and YMCA Healthy Food Delivery (\$100,359).

PLHA Funding. The City Council approved the replacement of the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service programs addressing basic needs and homelessness prevention. Although the HTF will no longer be made available for public service programs or rehabilitation purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

PLHA funding allocations are also based on priorities identified in the City of Gilroy 2020-2025 Consolidated Plan and 2020-2021 Annual Action Plan¹¹. High priority items identified in the plan include special needs services for the elderly, special need services for youth, homeless supportive services, and rehabilitation of existing affordable housing. By partnering with the County and a broad range of community-based organizations, the City is expanding homelessness prevention and basic needs services to assist Gilroy families and individuals who are experiencing, or at risk of, homelessness.

The City received PLHA funding from the State through application and partnership with Santa Clara County. As a new resource, the City is implementing \$474,000 in program funds during the first two years of the PLHA Program.

- With \$110,000 over two years, St. Joseph's Family Center provides emergency rental assistance, utility assistance, and other supportive programs that help diminish the risk of becoming homeless.
- With \$40,000 over two years, Project Sentinel provides fair housing services and investigates complaints to address housing discrimination for Gilroy residents.
- With \$40,000 over two years, Project Sentinel provides a landlord-tenant counseling and dispute resolution program to help resolve housing conflict and protect Gilroy residents from displacement.
- With \$40,000 over two years, Community Agency for Resources Advocacy and Services provides rental and deposit assistance to prevent homelessness for Gilroy families and individuals.
- With \$80,000 over two years, South County Compassion Center provides services to unhoused Gilroy residents to meet their basic needs and to connect them with services that can help them attain permanent housing.
- With \$70,000 over two years, St. Joseph's Family Center provides training and employment readiness to prepare individuals that are homeless or at risk of homelessness for stability and greater self-sufficiency.
- With \$54,000 over two years, The Health Trust delivers meals to low income and homebound seniors at risk of food insecurity, allowing them to remain in their homes.

¹¹ City of Gilroy 2020-2025 Consolidated Plan and 2020-2021 Annual Action Plan.

<https://www.cityofgilroy.org/DocumentCenter/View/11526/City-of-Gilroy-2020-2025-Consolidated-Plan-and-AAP-FINAL>

- With \$40,000 over two years, Silicon Valley Independent Living Center provides Gilroy residents with disabilities counseling, emergency rental assistance, and housing search services to obtain safe, affordable, and accessible long-term housing.

As can be seen above, Gilroy is allocating and implementing federal and state grant funding to assist Gilroy's vulnerable communities and create safe and healthy neighborhoods for all. In general, these programs have been successful at providing new opportunities, resources, and procedures to assist special needs populations. The City is committed to furthering fair housing and supporting special needs populations and has included several programs in its 6th Cycle Element to further address the housing needs of all groups.

Accessibility Improvements

The need to revitalize older City infrastructure, particularly accessibility for elderly persons and persons with disabilities is identified as a top priority in the City's 2020 – 2025 Consolidated Plan and 2020 – 2021 Annual Action Plan. The Consolidated Plan further identifies accessibility improvements such as wheelchair ramps, curbing, and sidewalks as one solution to this need. In November 2021, the City awarded \$70,592 in CDBG funding to a consultant to design and prepare construction documents for off-site improvements in front of the Gateway Senior affordable Apartments, located at 6500 Monterey Road. The scope of work included design of a standalone HAWK (High-Intensity Activated Crosswalk) system for safe pedestrian crossing, design of two ADA compliance curb ramps and minor concrete work, and design of new striping for pedestrian crossing and safety. The full construction cost of the CIP project is estimated to be \$314,400. For the 2022-2023 fiscal year funding cycle, the City also allocated \$145,090 in CDBG funds toward improving sidewalks and curb ramps throughout the City.

Seniors and Residents with Disabilities

The City also identifies supportive services for seniors and persons with disabilities under the Special Needs section of the 2020-2025 Consolidated Plan. As noted above, the City allocated a portion of the CDBG funds and a portion of the PLHA funds towards senior services and residents with disabilities.

Over the two fiscal years from 2021 to 2023, CDBG funds included \$18,560 for the Live Oak Adult Day Care program and \$8,643 for the Meals on Wheels program which provides access to hot meal deliveries 5-days per week to people with disabilities and seniors who are unable to leave the house. Similarly, \$100,359 of the CDBG-CV funds were allocated towards the local YMCA's food distribution program for homebound seniors impacted by the COVID-19 pandemic and shelter in place orders.

Over the two-year period from 2022-2024, PLHA funds included \$54,000 for the Health Trust that delivers meals to low income and homebound seniors at risk of food insecurity, allowing them to remain in their homes, and \$40,000 for Silicon Valley Independent Living Center which provides counseling for Gilroy residents with disabilities, emergency rental assistance, and housing search services to obtain safe, affordable, and accessible long-term housing.

The Recreational Division at City Hall provides seniors access to a free Box/Dine in lunch in partnership with the YMCA at the Gilroy Senior Center on 7371 Hanna Street. Free groceries from the Second Harvest Food Bank are available at San Ysidro Park on 7700 Murray Avenue.

At-Risk Youth Services

The 2020 – 2025 Consolidated Plan also identified Gilroy's at-risk youth as a priority need for the City. Over the 2021 – 2023 (two-year) fiscal cycles, a portion of the CDBG funds discussed above were allocated towards Gilroy's at-risk youth. The Community Agency for Resources Advocacy and Services (CARAS) RYSE (Reaching our Young people to Succeed and Empower with Unlimited Potential) program received \$8,500 to provide support to at-risk young girls through crime prevention, gang intervention, youth empowerment, and recreational activities. The Boys and Girls Club Ochoa Clubhouse CORE Enrichment Program received \$8,500 to empower kids and teens to excel in school, become good community members, and lead healthy, productive lives through education, learning, the arts, health and wellness, character and leadership, sports and recreation, and workforce readiness. The Gilroy Youth Center received \$76,904 for engaging high-risk youth and their families with social, recreational and educational programs that support and enhance their quality of life through community-based recreation. The Gilroy Youth Center is a free program for income eligible residents, providing an after-school program during the school year and a day camp during the summer.

Unhoused Outreach

A portion of the PLHA funds and CDBG-CV funds discussed above was allocated towards homelessness prevention. The following agencies received PLHA Funding for FY 22-23 and FY 23-24: St. Joseph's Family Center received \$110,000 to provide emergency rental assistance, utility assistance, and other supportive programs that help diminish the risk of becoming homeless. St. Joseph's Family Center received an additional \$70,000 to provide training and employment readiness to prepare individuals that are homeless or at risk of homelessness for stability and greater self-sufficiency. Community Agency for Resources Advocacy and Services received \$40,000 to provide rental and deposit assistance to prevent homelessness for Gilroy families and individuals. South County Compassion Center received \$80,000 to provide services to unhoused Gilroy residents to meet their basic needs and to connect them with services that can help them attain permanent housing.

Through its CDBG-CV funds, the City provided \$287,309 in support to Saint Joseph's Family Center's Rental Assistance program. This program is designed to prevent homelessness through emergency rental assistance and deposits. The funds helped very-low-income tenants who have been impacted by COVID-19 with paying a portion of their rents to avoid eviction. The Program benefited an estimated 231 low-income individuals.

Farmworkers

Due to the seasonal nature of farm work, many households have a difficult time securing safe, habitable, and affordable housing. There are 56 dwelling units within Gilroy City limits to meet the permanent and seasonal housing needs of extremely low-income and low-income

farmworkers. These units are located in the following three (3) housing developments, owned and managed by Eden Housing:

- The Trees, with 14 units
- Aspen Grove, with 24 units
- Maple Gardens with 18 units

In addition, the Santa Clara County Housing Authority (SCCHA) provides 100 farmworker housing units through the Ochoa Migrant Center, located just outside of the Gilroy City boundary. The center serves as a migrant camp 8 months out of the year (April through November) for farmworkers and their families. There are 33 three-bedroom apartments and 67 two-bedroom apartments within the 100-unit development. During the off-season (mid-December through mid-March), the Ochoa Migrant Center provides temporary housing for the unhoused.

2015 – 2023 (5th Cycle) Housing Element Programs

This section illustrates the City of Gilroy's accomplishments and status in implementing the housing programs identified for the 2015-2023 5th Cycle, as well as the continued appropriateness of each program for the 2023-2031 6th Cycle. Programs that have been successfully completed or that consist of routine staff functions are marked as "remove," as these programs are no longer necessary for the 6th Cycle. Previous programs that are continued with no or minor modifications are marked as "continue." Finally, programs marked as "modify" or "consolidate" are programs that will be continued, but have updated goals and metrics, and may involve combining multiple existing programs into a single 6th Cycle program for ease of use and streamlining.

Table 2: Review of 2015 – 2023 (5th Cycle) Housing Element Programs

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING PRODUCTION						
H-1.A	Publicize Residential Sites Inventory	The City shall make the residential sites inventory available to developers by publicizing it on the City website and providing copies of the sites to developers. The City shall update the list of sites annually, or as projects are approved on the sites.	Post on website within 6 months of adoption; update annually, or as needed	The most recent Residential Vacant Land Inventory was completed in October 2022 and is available on the City's website.	Retain – modify to include clear objectives and additional developer outreach.	A - 4
H-1.B	Residential Development Ordinance	The City shall review and revise, as appropriate, the Residential Development Ordinance to ensure that it does not pose a constraint on the maintenance, improvement and development of housing; and provides capacity to meet the City's RHNA need. Furthermore, the City will encourage the development of housing that is affordable to a variety of income groups through the Residential Development Ordinance by comparing its features with the Neighborhood District Ordinance and making any changes to ensure the two policies are compatible.	Review of RDO following adoption of the New General Plan (estimated FY 2015/16)	Senate Bill 330, signed by the governor in 2019, prohibits a jurisdiction from implementing any provision that limits the number of approvals or permits or puts a cap on the number housing units that can be approved or constructed, or limits population. As a result, the Residential Development Ordinance is now null and void and will be repealed as part of the City's comprehensive zoning update in 2023.	Retain - modify: The RDO will be repealed as a part of the City's comprehensive zoning update in 2023.	B - 1

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-1.C	Variety of Housing in Neighborhood Districts	The City shall review and revise, as appropriate, the Neighborhood District Policy to ensure that it encourages the development of housing that is affordable to a variety of income groups by comparing its features with the Residential Development Ordinance and making any changes to ensure the two policies are compatible and designed to reach the same goals.	Review of Neighborhood District Policy in conjunction with the New General Plan preparation (estimated FY 2015/16)	The Residential Development Ordinance is no longer in effect. The 2040 General Plan includes a new higher density Neighborhood District designation, allowing a greater range of housing types from single family detached dwellings (0-7 du/ac) to higher density multi-family dwellings (16-30du/ac).	Retain – modify the Neighborhood District policy to eliminate any references to the RDO (see discussion above) and provide standards related to the new density ranges and affordable housing requirements.	A - 5
H-1.D	Facilitate Infill Development	The City shall coordinate efforts with private and non-profit developers, and other housing related groups to encourage the construction of residential development through a menu of regulatory incentives (e.g., streamlined review and other methods that will effectively encourage infill development). The City shall monitor infill development on a biannual basis to ensure the effectiveness of programs to encourage housing development. If, based on its biannual review, the City finds that additional programs are needed to facilitate infill development, the City shall revise programs as appropriate.	Monitor biennially starting in 2016	Between January 1, 2015 and December 31, 2022, the City permitted 2,605 new residential units. The City's residential development standards are generally very permissive. For example, single-family and multi-family residential projects that comply with objective development and design standards can generally be approved through a ministerial or administrative review process, without the need for public hearings. Furthermore, multi-family development is typically built with moderate to high densities, with higher densities allowed through	Retain – modify with a program that will "Facilitate Missing Middle Housing" by streamlining the entitlement process with a ministerial process for duplexes, triplexes and quadplexes in specified areas of the City, that meet objective design standards.	A - 9

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
				the State Density Bonus law.		
H-1.E	Monitor Permit Requirements, Processing Procedures and Land Use Controls	To ensure permit requirements and processing procedures do not constrain residential development, the City shall evaluate current requirements and procedures on a biannual basis. The City shall consult builders and other parties engaged in housing development activities to identify concerns. If permitting requirements are determined to be a constraint to residential development the City shall modify permitting requirements and/or procedures to address constraints, as feasible.	Biennial evaluation starting in 2016 and implement changes as appropriate	In 2020, the City awarded the contract for the purchase and implementation of a Land Management System to Tyler Technologies for the implementation of EnerGov to manage and track land development applications, business and professional licenses, special event permits, code enforcement cases, and fire prevention/pre-treatment/ hazardous materials management. The City and Tyler teams kicked off the project in September of 2020 with an anticipated "go-live" in 2023. Applicants will be able to check the status of their permit online and staff will have greater control over the workflow. The City also continues to hold development stakeholder roundtable meetings (virtual in 2020) to maintain a dialog with the Development Community. Topics included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan.	Retain - modify by splitting into two programs. One for the Land Management System Implementation and one that is streamlining the permit process as a part of the 2023 comprehensive Zoning Ordinance update	A - 8 and B - 5

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-1.F	Zoning to Encourage and Facilitate Single-Room Occupancy Units	The City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	Review and Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will include a definition for and regulatory standards addressing single-room occupancy units as part of the 2023 Zoning Update.	Retain - modify	E - 2
H-1.G	Study Micro-Units	The City shall conduct a study of the appropriateness of “micro-units” in Gilroy and the existing barriers in the Zoning Ordinance to the provision of micro-units. Based on the findings of the study, the City will make a determination of the appropriateness of micro-units in Gilroy and, if determined appropriate, identify methods for eliminating barriers, and establish appropriate development standards.	FY 2017/18	Not completed. The City will define “micro-units” in Gilroy as part of the 2023 Zoning Update.	Retain – modify The draft 2023 – 2031 Housing Element includes a program to develop incentives for micro-units which help contribute to the City’s affordable by design housing stock.	E - 5
AFFORDABLE HOUSING						
H.2.A	Develop Affordable Housing Incentives	The City shall review and revise, as appropriate, current incentives and regulatory concessions available to developers for the development of affordable housing throughout the city, and especially within the Downtown Gilroy Specific Plan area and Neighborhood District. Incentives and regulatory concessions may include, but are not limited to parking reductions, and reduced setbacks. The City shall also provide technical assistance, as feasible; information	Review incentives within 1-year of Housing Element adoption; revise, as appropriate; Monitor effectiveness of incentives and regulatory concession biennially, starting	Partially Complete. The City continues to monitor development in the Neighborhood District areas (e.g., Glen Loma) and the Downtown Specific Plan area and provide technical assistance to potential developers. The draft 2023-2031 Housing Element includes a program to	Retain – modify The draft 2023-2031 Housing Element also anticipates new development in the downtown area including	A - 10

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
		on State and Federal funding opportunities; and marketing to potential developers. The City shall continue to monitor development within the City's Downtown area on a biannual basis to ensure the implementation of the Specific Plan's policy on encouraging the development of a mix of retail, office and higher density residential uses. The City shall encourage the development of uses within the area to closely follow the recommended land use assumptions contained in the Specific Plan. If, based on its biannual review, the City finds that the proportion of residential uses to non-residential uses are not being developed as assumed in the Specific Plan, the City shall investigate additional incentives, concessions or assistance and revise programs as appropriate.	in 2016; Ongoing monitoring of development within Downtown Specific Plan.	adopt an Affordable Housing Policy. The City continues to seek grant funding to update the Downtown Specific Plan to ensure that the City's vision for the downtown is implemented.	affordable housing units	
H-2.B	Pursue Funding for Affordable Housing	The City shall pursue funding from State, Federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to: • One Bay Area Grants awarded by the Association of Bay Area Governments; • HCD Local Housing Trust Fund Program; • HUD Section 811 funding for supportive housing for extremely low-income residents; • The state Infill Infrastructure Grant program, sponsored by the Department	At least biennially, or as funding opportunities become available	The City evaluates funding opportunities as they arise and apply as appropriate. The City also facilitates public hearings on behalf of private developers who wish to seek tax credit financing for an affordable housing project.	Retain	D - 4

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
		of Housing and Community Development (HCD); and The State Multifamily Housing Program (MHP), sponsored by HCD.				
H-2.C	Community Development Block Grant Program	The City shall continue to administer the Community Development Block Grant Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homeless assistance, public services, and public improvements. The City shall continue to inform non-profit organizations of funding availability through the City's website and informational packets at City Hall.	Annually	The City continues to administer the CDBG program and funds eligible activities as funding allows. One such activity is a housing rehabilitation program that helps low income individuals with accessibility improvements. The city has provided a grant to Rebuilding Together Silicon Valley to operate and expand the Home Repair, Rehabilitation and Modification program in Gilroy. This program provides a wide range of home repair, accessibility, mobility and rehabilitation improvements for low income homeowners.	Retain	D - 5

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.D	Housing Trust Fund	The City shall continue to administer the City's Housing Trust Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing. The City shall continue to inform non-profit organizations of funding availability through the City's website and informational packets at City Hall.	Annually	Completed. During most of the 5 th cycle planning period, the City allocated Housing Trust funds towards housing-related activities. These activities include fair housing services, tenant landlord counseling services, and homeless prevention services. In 2022, the City replaced the HTF with the Permanent Housing Allocation (PLHA) Fund, making more funds available for public service addressing homeless basic need programs as well as programs that focus on homelessness prevention.	Retain – modify to reflect funds are from the PLHA rather than the Housing Trust Fund	D - 1

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.E	Funding Sources to Assist Homeownership	The City shall pursue potential sources of additional funding for homeownership assistance, including the availability of State HCD, CalHFA funds, HOME, and County funds. The City shall improve public outreach activities through the compilation of resources for down payment assistance, silent second mortgages, and other means of acquiring a home.	Development of resources for public dissemination by December 2015; ongoing review of additional funding sources	Partially completed. The City has posted on its website links to organizations who offer homebuyer assistance, including the Housing Trust of Silicon Valley, an organization that helps first-time homebuyers secure Below Market Rate (BMR) down payment assistance. On December 6 and December 8, 2022, the City co-hosted Spanish and English Webinars (respectively) to educate the public on the Santa Clara County Empower Homebuyers Down Payment Assistance Program. The webinar was co-hosted with the City of Morgan Hill and the Housing Trust of Silicon Valley.	Retain - modify	D - 2
H-2.F	Section 8 Referrals	The City shall continue to provide Section 8 referral services and information to City residents. The City shall make information on the Section 8 voucher program available on the City website.	Post on website by January 2016; provide referral on an ongoing basis	Completed. The City has posted on its website a link to the Housing Authority of Santa Clara County website. Here individuals can learn more about Housing Choice voucher eligibility and determine if the current waiting list is accepting any additional households.	Retain	D - 3

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-2.G	Development of Housing for Extremely Low-Income Households	The City shall review and incorporate appropriate regulatory incentives, financial incentives, and other policies that encourage the development of housing units for extremely low-income households. The City shall encourage and support the development of housing for extremely low-income households within future affordable housing projects through various strategies and programs that may include assistance with entitlement processing; and modifying development standards and granting concessions and incentives for projects that provide housing for lower income families.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Partially completed. The City continues to encourage developers to include extremely low-income units in their housing projects. Staff are available to meet with developers and discuss various incentives and concessions, consistent with State density bonus law.	Retain – modify by including an incentives beyond density bonus state law program with incentives for ELI households, and inclusionary housing policy.	A - 10 and A - 11
H-2.H	Water and Sewer Service Priority	The City shall review and update every five years, as necessary, the Water and Sewer Service Priority Policy to ensure future affordable projects will receive service priority.	Review every 5 years, starting December 2015	Completed. The Gilroy collection system includes about 140 miles of sewer mains. Policies in the new 2040 General Plan provide for reliable sewer service for all residents and businesses through a cooperative effort between the City and SCRWA. The General Plan also includes policies to ensure the provision of healthy, safe water for all users in Gilroy through facilities, policies, programs, and regulations.	Retain and Modify	E - 1

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING PRESERVATION AND REHABILITATION						
H-3.A	Housing Rehabilitation	To enhance the quality of existing neighborhoods, the City shall continue to implement the City's Housing Rehabilitation Program. The City will continue using Community Development Block Grant (CDBG) funds to assist in the improvement of substandard housing.	Ongoing	The City currently funds a housing rehabilitation program that provides accessibility improvements to very low income households. The City has provided a grant to Rebuilding Together Silicon Valley to operate and expand the Home Repair, Rehabilitation and Accessibility Modification program in Gilroy. This program will provide a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low income homeowners.	Retain	C - 2
H-3.B	Code Enforcement Program	To ensure continued maintenance of housing quality, condition, and use, the City shall continue to enforce building codes to address existing exterior and interior code violations. Within current staffing limits, the City shall contact owners of units identified as substandard, offering inspection services and providing information on the City's Rehabilitation Loan Program and landlord/tenant information and mediation services.	Ongoing	The City continues to enforce building codes to address code violations. Code enforcement officers work with owners of units identified as substandard, offering inspection services and providing information on the City's programs and services.	Retain – modify to set quantified objective	C - 3

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-3.C	Monitoring of Units At-Risk of Converting to Market Rate	The City shall provide for regular monitoring of deed-restricted units that have the potential of converting to market rate. In order to proactively address units at-risk of conversion, the City shall develop a program to partner with non-profit housing providers and develop a preservation strategy. This strategy will at least include biennial contact with property owners of affordable units, identification of funds to purchase and preserve affordable units, noticing of tenants and technical assistance with applications for funds.	Ongoing	To date, no multi-family affordable housing units have converted to market rate or are at-risk of conversion. Many of the complexes have undergone significant rehabilitation to update and prolong the longevity of the units. The city has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program. HouseKeys will continue to evaluate the city's current multi-family affordable housing stock to determine if any developments are at-risk of conversion.	Retain	C - 1
H-3.D	Resale Control on Owner-Occupied Below Market Rate Units	The City shall continue to implement resale controls on owner-occupied Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	Ongoing	The City has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program.	Retain	C - 4
H-3.E	Rent and Income Restrictions on Rental Below-Market Rate Units	The City shall continue to implement rent and income restrictions on rental Below Market Rate (BMR) units to ensure that affordable units provided through public assistance or public action are retained for 30 years or more as affordable housing stock.	Ongoing	The City has contracted with HouseKeys to serve as Program Administrator of the city's BMR home ownership and rental property program to help ensure that the homeowners and property owners are complying with affordable housing requirements.	Retain	C - 5

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
HOUSING OPPORTUNITY FOR RESIDENTS WITH SPECIAL NEEDS						
H-4.A	Housing for Large Families	The City shall review and revise the Zoning Ordinance, as appropriate, to incorporate appropriate regulatory incentives, and other policies that encourage the development of rental housing units with three or more bedrooms to accommodate the needs of large families. The City shall encourage and support the development of rental housing for large families within future affordable housing projects through various strategies and programs that may include assistance with site identification and entitlement processing; and modifying development standards and granting concessions and incentives.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Not completed. The City will consider the appropriateness of regulatory incentives and other policies that encourage the development of rental housing units with three or more bedrooms to accommodate the needs of large families in Gilroy as part of the 2023 Zoning Update and the 2023 – 2031 Housing Element incentives beyond density bonus law program.	Remove and consolidate with Density Bonus Incentives program The 2023 – 2031 Housing Element includes a program to develop incentives to encourage the development of housing to accommodate the needs of large families in Gilroy.	A - 11
H-4.B	Development of Housing for Seniors	The City shall consider areas for new senior housing development, including residential care facilities, that are convenient to public transit and within walking distance to shopping and restaurants, and incorporate appropriate regulatory incentives, financial incentives, and other policies that encourage the development of housing for seniors. The City shall continue to accept Senior only and Affordable Senior Housing projects through the RDO Exemption program to encourage the development of these projects.	Review and amend Zoning Ordinance (estimated FY 2015/16), as appropriate, following adoption of the New General Plan	Not completed. As noted above, the Residential Development Ordinance is no longer in effect. The City will consider areas for new senior housing development, including residential care facilities, as part of the 2023 Zoning Update.	Retain – modify. The RDO is no longer in effect. Housing for seniors is a need that will be considered and incorporated into the incentives beyond density bonus state law	A - 11

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.C	Reduced Parking Standards for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing.	Conduct study and review Zoning Ordinance (estimated FY 2015/16) (as appropriate) following adoption of the New General Plan	Not completed. The City will consider reduced parking standards for senior housing as part of the Zoning Ordinance update, which will be completed in 2023.	Retain	E - 6
H-4.D	Development and Conservation of Housing for Farmworkers	The City shall continue to partner with the Housing Authority of Santa Clara County and various non-profit organizations to explore and implement ways of providing affordable farmworker housing. The City shall assist with requests by developers for State and Federal funding for development of multi-family housing within city limits.	Outreach to Santa Clara Housing Authority and non-profit organizations biennially starting in 2016, and identify and pursue development, as appropriate	The City maintains communication with Santa Clara County and other organizations regarding the need for farmworker housing and the potential for expanding farmworker housing in Gilroy. There is currently farm worker housing in Gilroy, including three apartment buildings (managed by Eden Housing). The Ochoa Migrant Camp (managed by EAH Housing) is just outside of city boundaries. The Ochoa Migrant camp is seasonal, following the surrounding harvest season. During the off season, it is used to accommodate un-housed families.	Retain	E - 7

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.E	Consistency with the Employee Housing Act	The City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021), which generally requires employee housing to be permitted by-right, without a CUP, in single-family zones for less than six persons, and in all zones that allow agricultural uses with no more than 12 units or 36 beds.	Review and amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Not completed. The City will update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code 17021). The zoning update will be completed in 2023.	Retain	E - 8
H-4.F	Support Homeless Service Providers	The City shall continue to support the efforts of agencies providing emergency shelter for homeless residents, including providing funding when feasible and appropriate.	Ongoing	The City provides funding to homeless service providers through both its CDBG and HTF/PLHA programs. Services include referrals to the Santa Clara County Continuum of Care program, case management, homelessness prevention and provision of basic need items. The City hosts monthly meetings with Unhoused Service Providers. The goal of USP Network is to increase collaboration and partnership among the service providers and the City of Gilroy to connect the unhoused with services.	Consolidate with other programs; the PLHA and CDBG funds includes funding for homelessness prevention services and homelessness assistance	D - 1 and D - 5
H-4.G	Home Access Grants	The City shall continue to administer Home Access Program to provide very low-income disabled residents with help in safely entering and exiting their homes and accessing essential areas within their homes.	Ongoing	This program was eliminated from the consolidated plan. The City continues to look at programs that can help its very-low income disabled residents, including the Home Access Program.	Remove and consolidate with Housing Rehabilitation program	C - 2

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-4.H	Coordinate with the San Andreas Regional Center	The City shall work with the San Andreas Regional Center to implement an outreach program informing residents of the housing and services available for persons with developmental disabilities. The City shall make information available on the City website.	Initiate coordinate by 2016	The San Andreas Regional Center provides services to residents at Villa Esperanze in Gilroy.	Remove	N/A
H-4.I	Zoning Ordinance Amendments for Transitional and Supportive Housing	The City shall update the Zoning Ordinance to be fully compliant with State law and allow transitional and supportive housing in all zones that allow residential uses, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Amend Zoning Ordinance (estimated FY 2015/16) following adoption of the New General Plan	Completed. The Zoning Ordinance allows transitional and supportive housing in all residential zoning districts, subject to the same restrictions that apply to other residential uses of the same type in the same zone.	Remove	N/A
FAIR HOUSING						
H-5.A	Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling, homebuyer assistance, and improvement or removal of identified impediments. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website.	Ongoing	The City funds fair housing counseling services through its Housing Trust/PLHA Fund program. It also publishes the availability of both tenant/landlord counseling and fair housing services via its website.	Retain	F - 2

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
EXPANDING OUTREACH						
H-6.A	Interagency Collaboration for Lower Cost Housing	The City shall continue participation in Countywide housing assistance programs, and collaborate with other public agencies and non-profit housing sponsors in the use of available programs to provide lower-cost housing in Gilroy.	Ongoing	Abode Services provides a direct subsidy to one individual at the Cherry Blossom Apartments, owned by the City, through a partnership with the City and Community Solutions. The City also facilitates TEFRA hearings, as needed, to allow for the development and rehabilitation of affordable housing units throughout the City.	Consolidate – roll into programs to outreach for developers and a program to provide for rehabilitation of affordable housing units.	G - 1 and C - 2
H-6.B	Collaboration with Development Community	The City shall continue to establish relationships with and provide technical assistance to both for-profit and non-profit development companies working in the area of affordable housing, facilitating innovative partnerships and collaborative approaches to affordable housing development. The City will especially utilize the Housing Advisory Committee to address housing issues and provide outreach to the development community.	Ongoing	The City continues to establish collaborative relationships with for-profit and non-profit development companies to find innovative approaches to affordable housing development in Gilroy. The housing advisory duties now fall under the Planning Commission, a decision-making body with authority to approve or recommend approval of housing developments in Gilroy. City staff continue to provide outreach to the development community.	Retain and modify	G - 1

Review of Past Accomplishments

5th Cycle Program Number	Program Name	Objective	Time Frame	Accomplishments	Continued Appropriateness	6th Cycle Program Number
H-6.C	Community Access to Housing Information	To ensure the Gilroy community is provided the highest level of access to information, the City shall evaluate the effectiveness of existing outreach and community education efforts and develop a comprehensive outreach strategy for the delivery of housing information. The outreach strategy will consider various methods of delivery, including print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy.	Develop housing information strategy by June 2016	The City's 2040 General Plan, adopted in November 2020, includes goals, policies, and implementation actions regarding outreach and community education efforts including various methods of delivery, such as print media, mailers, web-based information, and other methods that consider economic and cultural considerations unique to the City of Gilroy. City hosts monthly meetings with Unhoused Service Providers. The goal of USP Network is to increase collaboration and partnership among the service providers and the City of Gilroy to connect the unhoused with services.	Retain	G - 5
H-6.D	Annual Review of Housing Element	Pursuant to HCD Requirements, the City shall conduct an annual implementation review of the Housing Element. The review will include the following information: a log of new residential development permits and completion reports; inventory of units built in the Extremely Low-, Very Low- and Low-Income categories, an update or inventory of approved projects; an annual estimate of population from the State Department of Finance; and available vacant land and zoning survey.	Annually to HCD	The City has submitted Annual Progress Reports in from 2015 through 2022.	Remove	N/A

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE HOUSING NEEDS ASSESSMENT

Housing Needs Assessment

The housing needs assessment discusses the varied needs of all segments of the community. Components that dictate housing need are population trends, demographics, employment trends, household characteristics, housing stock characteristics, housing inventory and market conditions, and preservation of at-risk units. The assessment also analyzes the housing needs of various special needs groups including elderly persons, large households, female-headed households, persons with disabilities (including [intellectual and](#) developmental disabilities), homeless/unhoused persons, farmworkers, and extremely low-income households. These components are presented within the context of Gilroy, Santa Clara County, and other regional or neighboring areas as appropriate. The needs assessment guides the identification of appropriate goals, policies, and programs for the City to implement during the 2023–2031 Housing Element Cycle.

The needs assessment uses multiple data sources for analysis. Primary data sources include the 2019 American Community Survey (ACS), the 2014–2018 Comprehensive Housing Affordability Strategy (CHAS) published by the US Department of Housing and Urban Development (HUD), and the 2020 US Census. CHAS provides information related to households with housing problems, including overpayment, overcrowding, and those without complete kitchen facilities and plumbing systems. The CHAS data is based on the 2014–2018 ACS data files but differs from the standard files by including a variety of housing need variables split by HUD-defined income limits and HUD-specified household types. CHAS data uses the HUD Area Median Family Income (HAMFI), which is similar to the area median income (AMI) used by the California Department of Housing and Community Development (HCD), except that it does not utilize the income categories described below. Both the AMI and HAMFI use the same median income from the metropolitan statistical area. In Gilroy, the calculation for the San Jose/Sunnyvale/Santa Clara metropolitan statistical area is used. Tables that use HAMFI instead of AMI are noted.

Note that data from the different sources and different years may have varying estimates for totals such as population or number of households.

Some of the data is broken down by income group. HCD uses five income categories to evaluate housing need based on the AMI for each metropolitan statistical area. The AMI is used for both funding and planning purposes. The categories and their corresponding percentages of the AMI are as follows:

- Extremely low-income households, 0% to 30% of the AMI
- Very low-income households, between 31% and 50% of the AMI
- Low-income households, between 51% and 80% of the AMI
- Moderate-income households, between 81% and 120% of the AMI
- Above moderate-income households, above 120% of the AMI

Extremely low-, very low-, and low-income households may be grouped together for planning purposes and referred to as “lower-income households.”

Projected Housing Needs

California General Plan law requires that each city and county have land zoned to accommodate its fair share of the regional housing need. A local jurisdiction’s “fair share” of regional housing need is the number of additional housing units needed to accommodate the forecasted household growth, replace the loss of existing housing units, and achieve vacancy rates that contribute to a stable and healthy housing market. HCD determines the projected housing need for each region. The housing unit need as determined by HCD for the 2023–2031 planning period for the Bay Area region is 441,176 units. The Association of Bay Area Governments (ABAG) is responsible for allocating housing needs to each jurisdiction within the Bay Area region, which includes Gilroy. Housing unit allocations are divided into four income categories: very low, low, moderate, and above moderate. Gilroy’s RHNA is a total of 1,773 units, as shown in Table 3.

Table 3: Gilroy RHNA, 2023–2031

Income Group	% of County AMI	Units	% of Units
Very Low*	31–50%	669	37.7%
Low	51–80%	385	21.7%
Moderate	81–120%	200	11.3%
Above Moderate	> 120%	519	29.3%
Total	-	1,773	100%

Source: ABAG, Regional Housing Needs Allocation, 2023-2031.

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

Existing Housing Need

Demographic Characteristics

Understanding the demographic characteristics and trends in a city is an important facet of planning for the needs of a community. This section summarizes the population size, age, and racial/ethnic composition of the City of Gilroy and region.

Population Growth Trends

The City of Gilroy is one of 15 cities in Santa Clara County. Gilroy is the southernmost incorporated city in Santa Clara County and is surrounded by the unincorporated county. The 2020 US Census estimated the population of Gilroy at 59,520, an increase of over 10,500 from 2010. Table 4 displays the population trends of Gilroy and surrounding areas, including areas in southern Santa Clara County and northern Santa Cruz County. Gilroy’s population increase

was similar to Morgan Hill and Hollister, but more than double the growth rate of Watsonville and Santa Clara County as a whole.

Table 4: Regional Population Trends, 2010–2020

City	2010	2020	% Change
Gilroy	48,821	59,520	21.9%
Morgan Hill	37,882	45,483	20.1%
Watsonville	51,199	52,590	2.7%
Hollister	34,928	41,678	19.3%
Santa Clara County	1,781,642	1,936,259	8.7%

Source: US Census, 2010 and 2020.

Both the City of Gilroy and Santa Clara County continue to see steady population growth. According to the US Census and the California Department of Finance, Gilroy experienced an average annual growth rate of 1.6 percent between 2010 and 2020, which was higher than the County's average annual growth rate (AAGR) of 1 percent, as shown in Table 5. The growth rate in Gilroy remained steady in comparison to the period from 2000 through 2010, which was 1.7 percent. Table 5 compares the AAGRs of the City and County from 2000 through 2020.

Table 5: Average Annual Population Growth Rate

Jurisdiction	2000	2010	2020	2000–2010		2010–2020	
	Total Population			Population Increase	AAGR	Population Increase	AAGR
Gilroy	41,464	48,821	59,520	7,357	1.7%	10,699	1.6%
Santa Clara County	1,682,585	1,781,642	1,936,259	99,057	0.6%	154,617	1.0%

Source: Decennial Census, 2020

Age Composition

Table 6 summarizes the population's age distribution and percentage change from 2000 to 2019. Different age groups have varying housing needs that may fluctuate across the stages of life. Generally, both the young adult (20 to 34 years old) and the elderly (65 years and older) live in apartments, condominiums, and smaller single-family units. Persons over 65 may also need accommodations so that they can age in place. Persons between the ages of 35 to 65 are more likely to live in single-family homes during this stage of life, per the census estimates.² From 2010 to 2019, the largest increases in population were in age groups from 55 to 84 years of age. There was a slower rate of growth in the 25 to 34 years age group and a negative change

² https://censusreporter.org/data/table/?table=B25125&geo_ids=16000US0629504&primary_geo_id=16000US0629504.

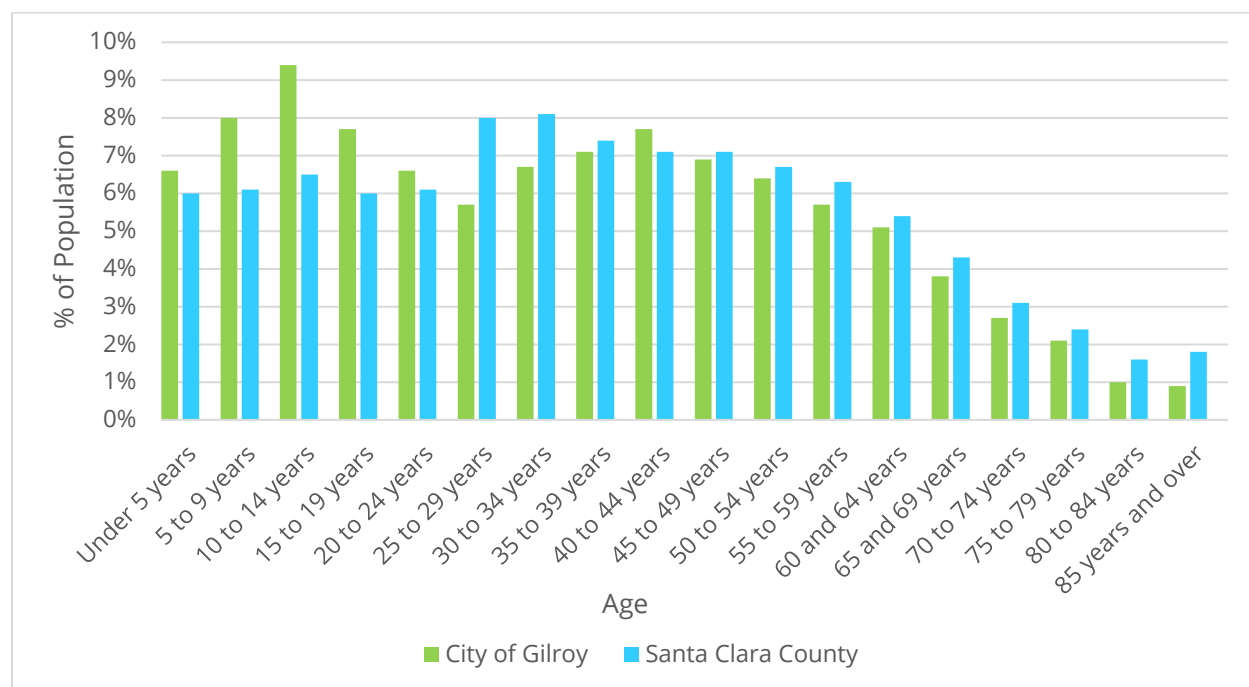
in the 4 years and younger and the 85 years and older age group. This data suggests that there is an increasing need for senior focused housing in Gilroy, which may take the form of age-restricted developments, smaller units, increased support services, and housing with proximity to healthcare.

Table 6: Population Age Distribution, Gilroy

Age Group	2000	2010	2019	% Change (2000–2010)	% Change (2010–2019)
Age 0-4	3,903	4,144	3,738	6.2%	-9.8%
Age 5-14	7,550	8,419	9,885	11.5%	17.4%
Age 15-24	6,194	6,934	8,079	11.9%	16.5%
Age 25-34	6,790	6,718	7,006	-1.1%	4.3%
Age 35-44	6,750	7,386	8,439	9.4%	14.3%
Age 45-54	4,919	6,613	7,553	34.4%	14.2%
Age 55-64	2,543	4,509	6,123	77.3%	35.8%
Age 65-74	1,522	2,326	3,656	52.8%	57.2%
Age 75-84	958	1,237	1,756	29.1%	42.0%
Age 85+	335	535	531	59.7%	-0.7%

Source: US Census 2000, 2010, 2019

Figure 1 shows the age distribution of Gilroy and Santa Clara County in 2019. The distribution is largely similar between the two. Gilroy has a higher percentage of the population that is 24 years or younger, while the County has a larger percentage of the population between 25 and 39 years of age. The County's population above 45 years of age is also higher than Gilroy.

Figure 1: Population Age Distribution, 2019

Source: ACS 2019

Race and Ethnicity

An understanding of the racial and ethnic trends in a region contributes to an analysis of housing demand. Non-White populations occupy multifamily units at a higher rate.³ Race and ethnicity characteristics also can be associated with income levels. Table 7 summarizes the racial and ethnic composition of the population in 2010 and 2019. As of 2019, 59 percent of Gilroy residents of any race were of Hispanic or Latino origin and 41 percent were Non-Hispanic. Of the Non-Hispanic population, 28 percent were white, and 9.1 percent were Asian or Pacific Islander. Between 2010 and 2019, the White Non-Hispanic population percentage declined by 3.4 percent, while the Asian or Pacific Islander population percentage increased by 2.2 percent, and the Hispanic or Latino population increased by 1.3 percent.

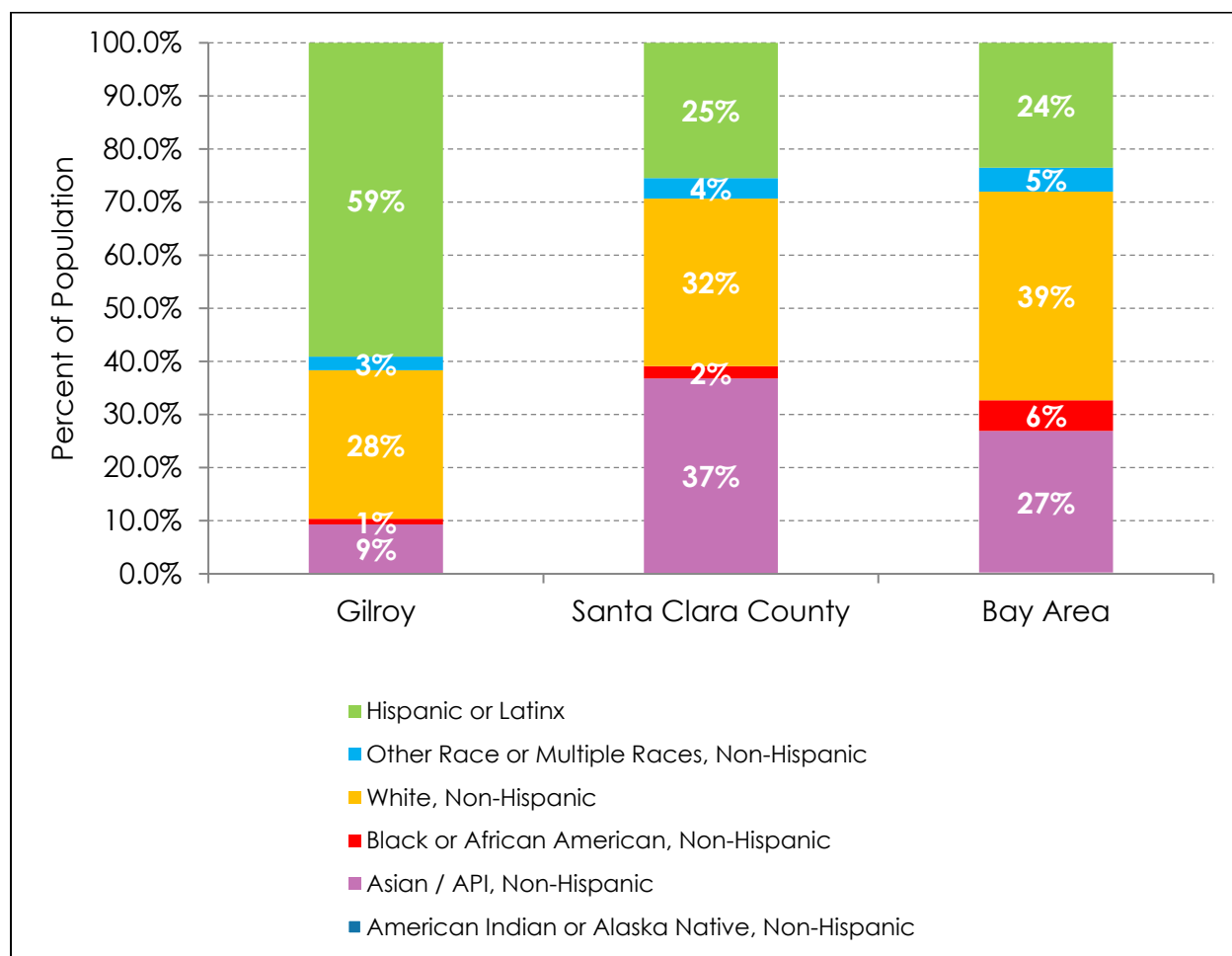
³ ACS Five Year Estimates Table B25032.

Table 7: Racial and Ethnic Composition, Gilroy

Racial/Ethnic Group	2010		2019	
	Number	%	Number	%
Not Hispanic or Latino				
White	15,335	31.4%	15,877	28%
Black	709	1.5%	610	1.1%
American Indian & Alaska Native	180	0.4%	113	0.2%
Asian or Pacific Islander	3,351	6.9%	5,160	9.1%
Some other race alone	58	0.1%	0	0%
Two or more races	974	2.0%	1,460	2.6%
<i>Subtotal</i>	20,607	42.3%	23,220	41%
Hispanic or Latino				
White	13,339	27.3%	26,640	46.9%
Black	233	0.5%	262	0.5%
American Indian & Alaska Native	651	1.3%	215	0.4%
Asian or Pacific Islander	208	0.4%	168	0.3%
Some other race alone	12,264	25.1%	4,807	8.5%
Two or more races	1,519	3.11%	1,454	2.6%
<i>Subtotal</i>	28,214	57.7%	33,546	59%
Total	48,821	100%	56,766	100%

Source: ACS 2019 Five Year Estimates.

Figure 2 displays the racial and ethnic makeup of Gilroy, Santa Clara County, and the entire Bay Area region. The racial and ethnic makeup of Gilroy varies from that of the region. Comparatively, Gilroy's Hispanic or Latino population (59 percent) is more than double that of the County (25 percent) and region (24 percent). Gilroy has a slightly smaller White, non-Hispanic or Latino population (28 percent) than Santa Clara County (32 percent) and the Bay Area region (39 percent). Gilroy's Asian/Pacific Islander population (9 percent) is also much smaller than the County (37 percent) and the region (27 percent).

Figure 2: Regional Racial/Ethnic Composition, 2019

Source: US Census Bureau, ACS 2015–2019, Table B03002.

Employment Trends

Employment trends in a region also influence housing needs. Significant employment opportunities in Santa Clara County have led to a growth in demand for housing in proximity to jobs. The quality and/or pay of available employment can determine the need for various housing types and prices.

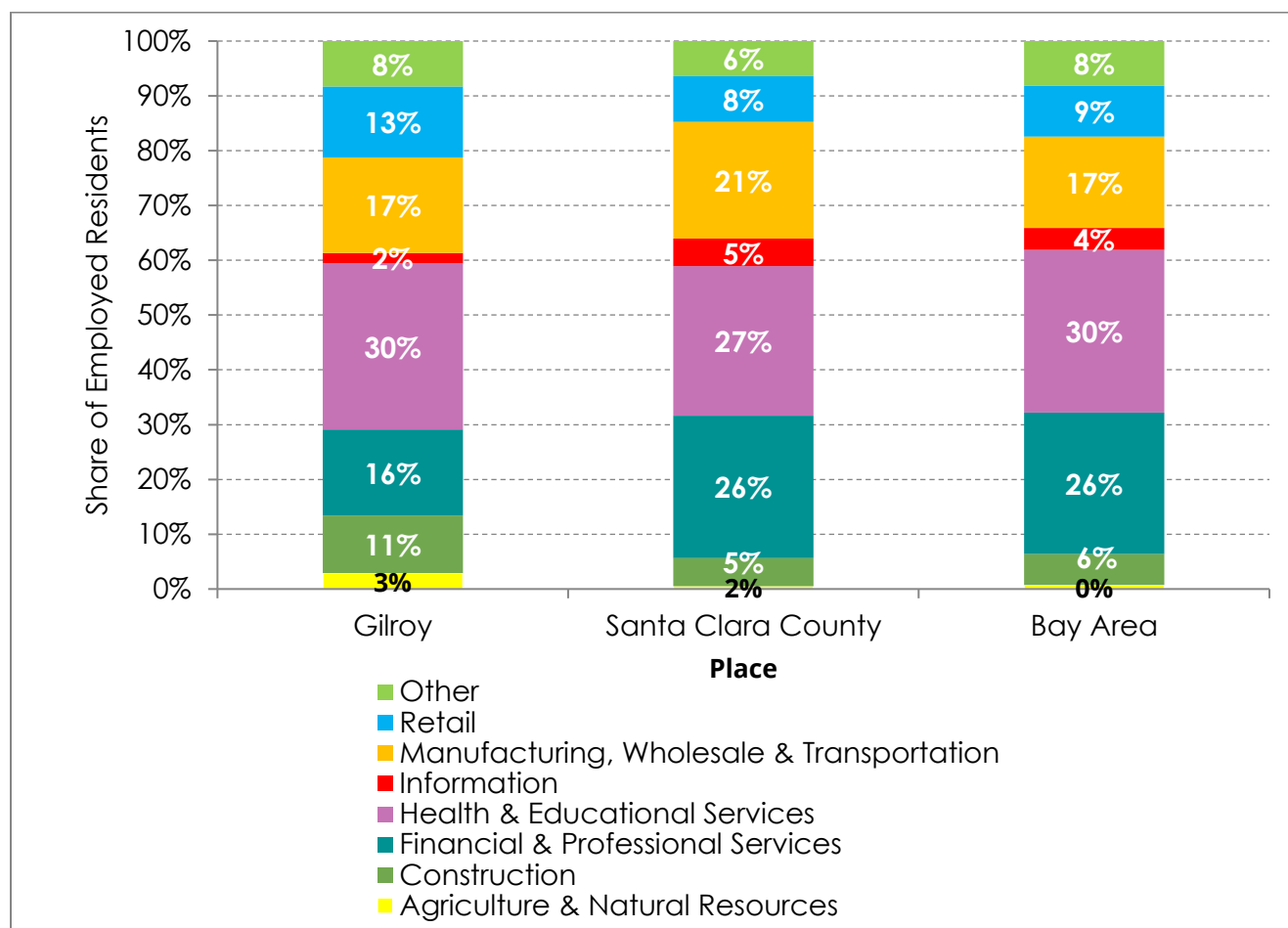
Table 8 shows the labor force and employment trends in Gilroy in 2010, 2014, and 2019. The labor force has increased by over 5,000 from 2010 to 2019. The unemployment rate increased from 2010 to 2014 but decreased from 2014 to 2019. The unemployment rate for Gilroy (3.9 percent) was higher than the County's unemployment rate (3.5 percent) in 2019, according to the 2019 census.

Table 8: Employment Trends, Gilroy

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	23,354	21,272	2,068	6.2%
2014	26,213	23,272	2,930	7.9%
2019	29,620	27,955	1,665	3.9%

Source: ACS Five Year Estimates, 2010, 2014, 2019.

Figure 3 displays the employment share by industry in Gilroy, Santa Clara County, and the entire Bay Area region. The employment by industry breakdown is similar between the City, County, and Bay Area region, with a few differences. Gilroy has a smaller percentage of workers employed in the financial and professional services than Santa Clara County and the Bay Area. It has a higher percentage of workers employed in the retail, construction, and agriculture/natural resources industries. Since there are more people in comparatively lower-paying industries, there may be an increased need for housing for low- and moderate-income households in Gilroy.

Figure 3: Regional Employment by Industry, 2019

Source: US Census ACS 2015–2019, Table C24030.

Table 9 shows the major employers in the City of Gilroy. As of 2021, Christopher Ranch is the largest single employer in Gilroy with 780 employees. Other large employers in Gilroy include Saint Louise Hospital (535 employees), Gavilan College (450 employees), and Olam International (400 employees).

Table 9: Major Employers, 2021

Company	Number of Employees
Christopher Ranch	780
Saint Louise Hospital	535
Gavilan College	450
Olam International	400
Walmart	360
Community Solutions	323
Costco	272
Rebekah Children Services	240
Monterey Gourmet Foods	230
United Natural Foods Inc	205
Kaiser Permanente	175
Headstart Nursery	165

Source: Gilroy Chamber of Commerce, 2021.

Household and Housing Stock Characteristics

This section describes Gilroy's household characteristics, including data on household size, income, median sale prices, rental prices, and vacancy rates. The US Census Bureau defines a family as related persons living within a single housing unit. The US Census Bureau defines a household as all persons living in a single housing unit, whether they are related or not. A household can be one person, a single family, multiple families, or any group of related or unrelated persons.

As shown in Table 10, the number of households in Gilroy continues to grow at a faster pace than the County and the State. In 2019, the US Census Bureau reported 16,126 households in Gilroy, a 13.8 percent increase from 2010. In comparison, total households in Santa Clara County increased by 6 percent between 2010 and 2019, while total households in California increased by 3.7 percent.

Table 10: Change in Households, 2000–2019

Area	2000	2010	2019	% Change 2000-2010	% Change 2010-2019
Gilroy	11,894	14,175	16,126	19.2%	13.8%
Santa Clara County	565,863	604,204	640,215	6.8%	6.0%
California	11,502,870	12,577,498	13,044,266	9.3%	3.7%

Source: US Census 2000, 2010, 2019.

The average number of persons per household in Gilroy was 3.5 in 2020, an increase from 2010. As shown in Table 11, the average number of persons per household in Gilroy continues to be higher than the State and County average by 0.5 persons.

Table 11: Regional Average Household Size

Geography	2010	2020
Gilroy	3.4	3.5
Santa Clara County	2.9	3.0
California	2.9	3.0

Source: US Census 2010 SF1, DP-1 and US Census 2020.

Table 12 shows the household size distribution of Gilroy, Santa Clara County, and the Bay Area region. Gilroy has a lower percentage of one-person households (14.5 percent) than Santa Clara County (20.3 percent) and the Bay Area region (24.7 percent). Gilroy's percentage of 2- and 3-4 person households is similar to the County and region, while the City's percentage of households with 5 or more people (24.3 percent) is nearly twice that of Santa Clara County (12.4 percent). The high proportion of large households influences the needs for a variety of larger unit types and may correlate with some presence of overcrowding.

Table 12: Household Size Distribution, 2019

Geography	1 Person	%	2 Person	%	3-4 Person	%	5 Person or More	%	Total
Gilroy	2,345	14.5%	4,353	27%	5,512	34.2%	3,916	24.3%	16,126
Santa Clara County	130,090	20.3%	196,510	30.7%	234,061	36.6%	79,554	12.4%	640,215
Bay Area	674,587	24.7%	871,002	31.9%	891,588	32.6%	294,257	10.8%	2,731,434

Source: US Census Bureau, ACS 5-Year Data (2015-2019), Table B11016-H2.

The median household income for Gilroy in 2019 was \$101,616, an increase of over \$25,000 from the median income of \$76,060 in 2012. However, Gilroy's 2019 median household

income (\$101,616) was about \$22,439 less than the 2019 median income for the County (\$124,055). In the City, the median income for owner-occupied households (\$134,115) was significantly higher than the median income for renter-occupied households (\$60,022) in 2019.

Table 13: Median Household Income by Tenure, 2019

Jurisdiction and Tenure	2019 Median Income
City of Gilroy	\$101,616
Owner-Occupied Households	\$134,115
Renter-Occupied Households	\$60,022
Santa Clara County	\$124,055
Owner-Occupied Households	\$155,139
Renter-Occupied Households	\$91,265

Source: ACS 2019 Table B25119.

The State of California uses five income categories to determine eligibility for housing programs based on area median income (AMI) for a family. Because eligibility is based on the AMI for a 4-person household in Santa Clara County, cities such as Gilroy, which have a lower median income than the AMI, will have more residents that qualify for housing programs. However, many low-income families in Gilroy have difficulty paying for housing even with housing program subsidies, which are based on the County AMI. In 2019, Gilroy's median income (\$101,616) was \$22,439 less than the Santa Clara County AMI (\$124,055) at that time.

This disparity is in part due to the fact that Gilroy is located farther from high-paying technology and finance jobs in the Bay Area and Silicon Valley than the remainder of Santa Clara County jurisdictions. Table 14 shows the State-defined income ranges for each income category based on the 2022 Santa Clara County AMI of \$168,500 for a household of four, a significant increase from 2019.

Table 14: Income Range by Affordability Level Based on State Area Median Income, 2022

Affordability Category	% of County Median	Income Range
Extremely Low Income	30%	≤ \$50,550
Very Low Income	31%-50%	\$50,550 ≤ \$84,250
Low Income	51%-80%	\$84,250 ≤ \$131,750
Moderate Income	81%-120%	\$131,750 ≤ \$202,200
Above Moderate Income	> 120%	> \$202,200

Source: California Department of Housing and Community Development, 2022.

Table 15 uses HUD HAMFI. As discussed above, the difference between HAMFI and AMI is that HAMFI is a HUD-defined term that does not utilize HCD income categories. Table 15 provides a breakdown of income level by tenure in Gilroy, using the 2014–2018 CHAS data. The table

shows that just under 40 percent of households in Gilroy are renter-occupied, compared to 43.2 percent of households in the County. In Gilroy, 42.5 percent of the population falls into the extremely low-, very low-, and low-income categories, highlighting the need for affordable housing options in the City.

Table 15: Household Income by Tenure, 2018

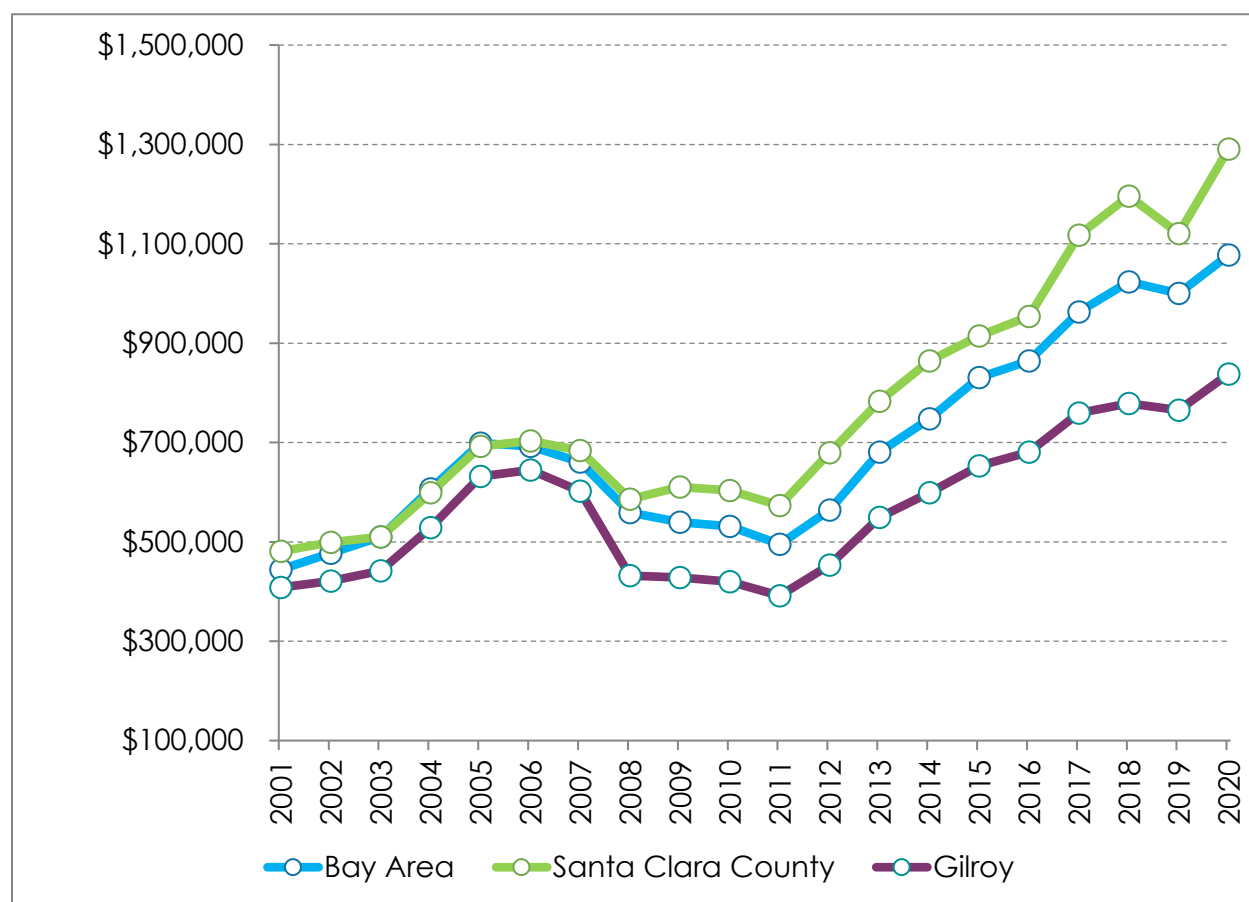
Income Level	Renter-Occupied		Owner-Occupied		Total Occupied Housing Units	
	Number	%	Number	%	Number	%
City of Gilroy						
Less than or equal to 30% of HAMFI	1,995	12.3%	644	4.0%	2,639	16.3%
Greater than 30% but less than or equal to 50% of HAMFI	1,340	8.3%	894	5.5%	2,234	13.8%
Greater than 50% but less than or equal to 80% of HAMFI	1,040	6.4%	965	6.0%	2,005	12.4%
Greater than 80% but less than or equal to 100% of HAMFI	605	3.7%	1,035	6.4%	1,640	10.1%
Greater than 100% of HAMFI	1,420	8.8%	6,259	38.6%	7,679	47.4%
Total	6,400	39.5%	9,797	60.5%	16,197	100.0%
Santa Clara County						
Less than or equal to 30% of HAMFI	55,360	8.7%	27,980	4.4%	83,340	13.1%
Greater than 30% but less than or equal to 50% of HAMFI	35,920	5.7%	27,635	4.3%	63,555	10.0%
Greater than 50% but less than or equal to 80% of HAMFI	34,260	5.4%	32,440	5.1%	66,700	10.5%
Greater than 80% but less than or equal to 100% of HAMFI	24,640	3.9%	28,655	4.5%	53,295	8.4%
Greater than 100% of HAMFI	124,680	19.6%	243,955	38.4%	368,635	58.0%
Total	274,860	43.2%	360,665	56.8%	635,525	100.0%

Source: HUD 2014-2018 CHAS data.

Median Home Sales Price

Figure 4 shows the change in home prices in Gilroy, Santa Clara County, and the Bay Area region from January 2001 to December 2020. While each geography follows the same general trend over time, Gilroy home prices are lower than the other two geographies. Notably starting after 2005, Santa Clara County home prices trend higher than the Bay Area region on average. After 2007, the housing market slowdown affected home sale prices in Gilroy, which decreased by approximately 50 percent between mid-2007 and early 2012. Since 2012, the median sales prices for new and resale homes in Gilroy have steadily increased, with a minor dip at the start of the COVID-19 pandemic. However, Gilroy home prices remain significantly lower than the County. As shown in Table 16, the November 2021 median home price in Gilroy (\$1,000,000) was \$405,000 less than Santa Clara County (\$1,405,000).

Figure 4: Regional Home Prices Over Time, 2001–2020



Source: Zillow.com, 2020.

As shown in Table 16, the median home price in Gilroy increased almost 20% in a one-year period, from \$835,000 in November 2020 to \$1,000,000 in November 2021. Comparatively, the median sales price in Santa Clara County increased by 15 percent. Since a household can typically qualify to purchase a home that is 2.5 to 3.0 times the annual income of that household, Gilroy's median income of \$101,616 in 2019 implies that the median sales price

should have been around \$305,000. Looking ahead, the \$1,000,000 median sales price in November 2021 indicates a high potential of cost burden in the City.

Table 16: Zillow Home Value Index, 2020 and 2021

Jurisdiction	November 2020	November 2021	% Change
Gilroy	\$835,000	\$1,000,000	20%
Campbell	\$1,420,000	\$1,640,000	15%
Santa Clara	\$1,380,000	\$1,560,000	13%
San Jose	\$1,120,000	\$1,330,000	19%
Morgan Hill	\$1,050,000	\$1,260,000	20%
Santa Clara County	\$1,225,000	\$1,405,000	15%

Source: Zillow Housing Market Data, 2021.

Rental Prices and Affordability

Table 17 summarizes the average monthly rent of market-rate housing in Gilroy by unit size in 2021. According to Zumper, the average rental rate for a one-bedroom unit was \$1,850; a two-bedroom unit was \$2,285; and a three-bedroom unit was \$3,100.

Table 17: Average Monthly Rent by Unit Size, 2021

Unit Size	Average Monthly Rent
Studio	\$1,600
1 bedroom	\$1,850
2 bedrooms	\$2,285
3 bedrooms	\$3,100
4 bedrooms	\$3,775

Source: Zumper, August 2021.

Using the assumption that any rent that exceeds 30 percent of household income renders the resident cost-burdened, Table 18 shows the maximum monthly rent that a household in Santa Clara County (including Gilroy) can afford based on income and the number of bedrooms in the household.

Table 18: Maximum Affordable Rent by Income, Santa Clara County

Typical Unit Size	Income (hourly)	Income (annually)	Income (monthly)	Maximum Affordable rent (30% of income)
Studio	\$42.85	\$89,120	<u>\$7,426.67</u>	\$2,228
One Bedroom	\$49.19	\$102,320	<u>\$8,526.67</u>	\$2,558
Two Bedroom	\$58.67	\$122,040	<u>\$10,170</u>	\$3,051
Three Bedroom	\$76.62	\$159,360	<u>\$13,280</u>	\$3,984
Four Bedroom	\$88.33	\$183,720	<u>\$15,310</u>	\$4,593

Source: National Low Income Housing Coalition. Out of Reach 2021.

Table 19 shows the maximum affordable monthly rent by affordability category.

Table 19: Maximum Affordable Monthly Rent by Income Category

Affordability Category	% of County Median	Income Range	Maximum Affordable Monthly Rent
Extremely Low Income	30%	≤ \$50,550	\$1,264
Very Low Income	31%-50%	\$50,550 ≤ \$84,250	\$2,106
Low Income	51%-80%	\$84,250 ≤ \$131,750	\$3,294
Moderate Income	81%-120%	\$131,750 ≤ \$202,200	\$5,055
Above Moderate Income	> 120%	> \$202,200	-

Source: California Department of Housing and Community Development, 2022.

Current average rents in Gilroy (Table 17) would allow a moderate-income household, making \$131,750, to afford a rental unit of most any size, since such households can afford up to \$5,055 in rent. However, extremely low-income households would likely be cost-burdened in any size unit, since the maximum rent they can afford would be \$1,264 (less than the rent for a studio apartment). The average monthly rent for a two-bedroom unit in Gilroy (\$2,285) would be unaffordable to a four-person household in the extremely low- and very low-income groups, as shown in Table 19. This disparity leads to overcrowding, which is discussed later in this chapter. The disparity between incomes and housing costs indicates a need for more housing options at a variety of unit sizes available, especially to households below the AMI.

Vacancy Rates

Vacancy rates are indicators of housing supply and demand that reflect the degree of housing choice that is available. Higher vacancy rates can induce downward price pressure, while low vacancy rates can influence upward price pressures. Low vacancy rates usually indicate high demand and/or low supply conditions in the housing market. Too low a vacancy rate can force prices up, making it more difficult for lower- and moderate-income households to find housing. For rental units, a 7 to 8 percent vacancy rate is considered “healthy”. For owner-occupied housing, a vacancy rate of 2 percent or below is considered “healthy.” In 2013, the vacancy rate in Gilroy was 4.6 percent, decreasing to 2.9 percent in 2019. Table 20 summarizes the number of occupied and vacant units in Gilroy from 2013 to 2019.

Table 20: Occupancy Rates

Occupancy Status	2013	%	2019	%
Occupied Housing Units	14,657	95.4%	16,126	97.1%
Vacant Housing Units	701	4.6%	482	2.9%
Total Housing Units	15,358	100%	16,608	100%

Source: ACS 5 Year Estimates, 2013 and 2019.

Overpayment

Overpayment is defined as households paying more than 30 percent of their gross income on housing-related expenses, including rent or mortgage payments and utilities. Severe overpayment occurs when households pay 50 percent or more of their gross income for housing. Households paying greater than 30 percent of their gross income on housing-related expenses are considered cost burdened. Higher costs for housing may contribute to households having a limited ability to cover other everyday living expenses. The impact of housing costs is more apparent for extremely low-, very low-, and low-income households, and especially renter households.

Table 21 illustrates housing cost as a percentage of household income by tenure, showing the number and percentage of households that are experiencing cost burden and severe cost burden for both Gilroy and Santa Clara County. In 2018, 9,079 Gilroy households, or 56.3 percent, experience some form of overpayment, with 18.1 percent of households experiencing severe overpayment. This is an increase of 1,769 households from 2012. At about 56.3 percent, Gilroy experiences overpayment at a slightly higher rate than the County, where 50.2 percent of households experience some sort of overpayment.

Table 21: Housing Cost as a Percentage of Household Income, 2018

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30% income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
City of Gilroy: Owner Households						
Less than or equal to 30% of HAMFI	645	4.0%	470	2.9%	400	2.5%
Greater than 30% but less than or equal to 50% of HAMFI	895	5.6%	550	3.4%	330	2.0%
Greater than 50% but less than or equal to 80% of HAMFI	975	6.1%	465	2.9%	240	1.5%
Greater than 80% of HAMFI	7,305	45.4%	1,160	7.2%	165	1.0%
Total	9,820	61.0%	2,645	16.4%	1,135	7.0%
City of Gilroy: Renter Households						
Less than or equal to 30% of HAMFI	1,885	11.7%	1,590	9.9%	1,230	7.6%
Greater than 30% but less than or equal to 50% of HAMFI	1,339	8.3%	979	6.1%	395	2.5%
Greater than 50% but less than or equal to 80% of HAMFI	1,030	6.4%	590	3.7%	165	1.0%
Greater than 80% of HAMFI	2,029	12.6%	350	2.2%	0	0.0%
Total	6,283	39.0%	3,509	21.8%	1,790	11.1%
Santa Clara County: Owner Households						

Housing Income Range	Households		Percentage of Income Spent on Housing			
			Overpayment (>30% income on housing)		Severe Overpayment (>50% income on housing)	
	Number	%	Number	%	Number	%
Less than or equal to 30% of HAMFI	25,960	4.1%	20,765	3.3%	16,670	2.6%
Greater than 30% but less than or equal to 50% of HAMFI	27,625	4.4%	15,370	2.4%	9,725	1.5%
Greater than 50% but less than or equal to 80% of HAMFI	32,435	5.2%	15,680	2.5%	6,870	1.1%
Greater than 80% of HAMFI	272,605	43.3%	46,610	7.4%	7,635	1.2%
Total	358,625	57.0%	98,425	15.6%	40,900	6.5%
Santa Clara County: Renter Households						
Less than or equal to 30% of HAMFI	51,035	8.1%	45,275	7.2%	35,590	5.7%
Greater than 30% but less than or equal to 50% of HAMFI	35,940	5.7%	29,750	4.7%	15,250	2.4%
Greater than 50% but less than or equal to 80% of HAMFI	34,270	5.4%	21,565	3.4%	5,615	0.9%
Greater than 80% of HAMFI	149,320	23.7%	22,390	3.6%	1,165	0.2%
Total	270,565	43.0%	118,980	18.9%	57,620	9.2%

Source: HUD 2014-2018 CHAS data.

Overcrowding

An overcrowded housing unit is defined by the US Census Bureau as a housing unit occupied by more than one person per room (excluding bathrooms, kitchen, hallway, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding.

Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. Table 22 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households in Gilroy, roughly 9.2 percent, were experiencing overcrowding in 2019. This included 347 owners and 1,135 rental households. Instances of overcrowding vary by tenure, with renters experiencing higher levels of overcrowding than owners.

Table 22: Overcrowded Households, 2019

Persons per Room	Owners		Renters		Total	
	Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
City of Gilroy						
1.01 to 1.50	285	1.8%	665	4.1%	950	5.9%
>1.50	62	0.4%	470	2.9%	532	3.3%
Total Overcrowded	347	2.2%	1,135	7.0%	1,482	9.2%
Santa Clara County						
1.01 to 1.50	7,526	1.2%	21,951	3.4%	29,477	4.6%
>1.50	2,340	0.4%	17,983	2.8%	20,323	3.2%
Total Overcrowded	9,866	1.6%	39,934	6.2%	49,800	7.8%

Source: ACS 2019 Table B25014.

Housing Inventory and Market Conditions

This section discusses the housing stock and market conditions in Gilroy, including change in housing units, unit size, unit type, age of housing stock, and housing conditions. By analyzing past and current housing trends, future housing needs can be assessed.

Table 23 summarizes the number of housing units in the City and County from 2000 to 2019. In 2000, Gilroy had 12,167 housing units. By 2010, the number of housing units increased to 14,854, and in 2019 the Census reported 16,608 housing units in the City. According to the California Department of Finance, 2.5 percent of housing units in the County are within Gilroy's boundaries, representing an increase of 0.4 percent from 2000 to 2019.

Table 23: Housing Units, 2000–2019

Year	Gilroy	Santa Clara County	Gilroy as % of Total Santa Clara County Units
2000	12,167	579,329	2.1%
2010	14,854	631,920	2.4%
2019	16,608	672,495	2.5%

Source: US Census 2000 SF3, H1, US Census 2010 SF1, H1, and Department of Finance Table E-5, 2019.

Table 24 summarizes Gilroy's distribution of unit size by tenure in 2019. The most common unit size for renter-occupied units was two-bedroom units, followed by three-bedroom units. Owner-occupied units had more bedrooms, on average, than renter-occupied units.

Table 24: Unit Size by Tenure, 2019

Unit Size	Owner-Occupied		Renter-Occupied		Total Occupied Housing Units	
	Units	%	Units	%	Units	%
No bedroom	15	0.1%	218	1.4%	233	1.5%
1 bedroom	126	0.8%	972	6%	1,098	6.8%
2 bedrooms	632	3.9%	2,601	16.1%	3,233	20%
3 bedrooms	3,895	24.2%	1,481	9.2%	5,376	33.4%
4 bedrooms	4,016	24.9%	685	4.2%	4,701	29.1%
5 or more bedrooms	1,230	7.6%	255	1.6%	1,485	9.2%
Total	9,914	61.5%	6,212	38.5%	16,126	100%

Source: ACS 2019 Table B25042.

Table 25 summarizes Gilroy's housing inventory by unit type from 2000 to 2021. From 2010 to 2021, the number of units for all housing types increased, except for single-family attached units and mobile homes, which remained the same at 887 and 317 units, respectively. The US Census defines single-family attached houses as houses running together or that are attached, such as townhomes⁴. In 2021, there were 11,739 single-family detached units in Gilroy,

⁴ US Census Appendix A. Subject Definitions and Table Index. <https://www2.census.gov/programs-surveys/ahs/2017/2017%20AHS%20Definitions.pdf>

comprising the largest percentage of housing stock, at almost 70 percent. Multifamily housing made up just over 23 percent of the housing stock with 3,883 units.

Comparatively, Santa Clara County had fewer detached single-family housing units (51.7 percent) and more multifamily housing units (35.8 percent) in 2021.

Table 25: Housing Inventory by Unit Type

Housing Type	2000		2010		2021	
	Number	%	Number	%	Number	%
City of Gilroy						
Single family, detached	7,768	63.8%	9,997	67.3%	11,739	69.8%
Single family, attached	742	6.1%	887	6.0%	887	5.3%
Multifamily	3,225	26.5%	3,653	24.6%	3,883	23.1%
Mobile homes	432	3.6%	317	2.1%	317	1.9%
Total Housing Units	12,167	100%	14,854	100%	16,826	100%
Santa Clara County						
Single family, detached	323,923	55.9%	344,586	54.5%	351,726	51.7%
Single family, attached	52,736	9.1%	61,517	9.7%	66,146	9.7%
Multifamily	182,999	31.6%	206,779	32.7%	243,502	35.8%
Mobile homes	19,102	3.3%	19,038	3.0%	18,924	2.8%
Total Housing Units	578,760	100%	631,920	100%	680,298	100%

Source: US Census 2000 SF3, H30 and California Department of Finance Table E-5, 2010 and 2021.

Table 26 displays occupied housing units by tenure in Gilroy in 2019.⁵ The majority of owner-occupied housing units were single-family detached units (82.3 percent), while renter-occupied units were predominantly multifamily (96.7 percent).

⁵ This excludes vacant housing units.

Table 26: Unit Type by Tenure, 2019

Building Type	Owner Occupied	%	Renter Occupied	%	Total
Detached Single-Family Homes	8,967	82.3%	1,933	17.7%	10,900
Attached Single-Family Homes	398	41.6%	559	58.4%	957
Multifamily Housing	125	3.3%	3,615	96.7%	3,740
Mobile Homes	424	80.2%	105	19.8%	529

Source: ACS 2019 Table B25032.

Age of Housing Stock

The age of a housing unit is often an indicator of housing conditions. In general, housing that is 30 years or older may exhibit need for repairs based on the useful life of materials. Housing over 50 years old is considered aged and is more likely to exhibit a need for major repairs. The number of housing units in need of repair and replacement is discussed separately in this chapter. Many federal and state programs use age of housing as one factor to determine housing needs and the availability of funds for housing and community development.

Table 27 summarizes the age of housing stock by tenure in 2019. Approximately 56.2 percent of units were built prior to 1990 and 19.9 percent of units were built before 1970. The City has seen very little rental family housing stock built within the past two decades: only 1,092 rental units were built between 2000 and 2019, compared to 3,112 new owner-occupied units. This disparity in building ages by tenure indicates a need for new rental housing options.

Table 27: Tenure by Housing Age

Year	Tenure: Owner		Tenure: Renter		Total	
Built 2014 or later	764	4.7%	32	0.2%	796	4.9%
Built 2010 to 2013	383	2.4%	226	1.4%	609	3.8%
Built 2000 to 2009	1,965	12.2%	834	5.2%	2,799	17.4%
Built 1990 to 1999	1,570	9.7%	1,290	8%	2,860	17.7%
Built 1980 to 1989	1,388	8.6%	1,145	7.1%	2,533	15.7%
Built 1970 to 1979	1,887	11.7%	1,428	8.9%	3,315	20.6%
Built 1960 to 1969	724	4.5%	477	2.9%	1,201	7.5%
Built 1950 to 1959	642	3.6%	216	1.3%	858	5.3%
Built 1940 to 1949	223	1.4%	90	0.6%	313	1.9%
Built 1939 or earlier	368	2.3%	474	2.9%	842	5.2%
Total	9,914	61.5%	6,212	38.5%	16,126	100%

Source: ACS 2019 Table B25036.

Housing Conditions

Housing is considered substandard when conditions are found to be below the minimum standard of living defined in the California Health and Safety Code. Substandard housing units include those in need of repair and/or replacement. Households living in substandard conditions are considered to be in need of housing assistance, even if they are not seeking alternative housing arrangements, due to threats to health and safety.

A household is considered substandard, or to have a housing problem, if it has one or more of the four following housing problems:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Housing unit is overcrowded
- Household is cost burdened

In addition to structural deficiencies and standards, the lack of infrastructure and utilities often serves as an indicator for substandard conditions. Table 28 summarizes the number of units lacking plumbing or complete kitchen facilities. According to the 2019 ACS three-year estimates, 47 occupied units in Gilroy lacked complete plumbing facilities. Of these, 23 were owner occupied and 24 were renter occupied. A total of 49 units lacked complete kitchen facilities. Of those, 16 were owner-occupied and 33 were renter-occupied. It should be noted that there is potential for overlap in the number of substandard housing units, as some units may lack both complete plumbing and kitchen facilities.

Table 28: Units Lacking Plumbing or Complete Kitchen Facilities, 2019

Units	Owner Occupied	% of Total Units	Renter Occupied	% of Total Units	Total	% of Total Units
Lacking Complete Plumbing Facilities	23	0.2%	24	0.2%	47	0.3%
Lacking Complete Kitchen Facilities	16	0.1%	33	0.2%	49	0.3%

Source: ACS 2019 B25049 and B25053.

Local Data

Code enforcement activities in the City of Gilroy are conducted by two Code Enforcement officers. From July 1, 2021 to June 30, 2022, code enforcement responded to 78 complaints about substandard housing conditions or other issues reported by residents. The majority of neighborhood complaints related to issues other than substandard housing conditions, including a person living in an RV, junk in the front yard, trash dumped in the alley, and illegal garage conversion. The City estimates that about 2 percent of housing, or about 320 units in the City, are in need of significant rehabilitation or replacement.

Over the two-year 2021–2023 fiscal years, the City utilized CDBG funds to address housing-related issues in Gilroy. The City allocated \$280,000 in CDBG funds to Rebuilding Together Silicon Valley to implement a wide range of home repair, accessibility, mobility, and rehabilitation improvements for low income homeowners. Affordable housing is preserved by providing critical safety home repairs and accessibility modifications for low income, often elderly, homeowners at no cost so that these residents are not displaced and can remain in their existing homes in a safe and healthy environment.

The City also allocated \$81,475 in CDBG funds toward rehabilitation of the Cherry Blossom affordable housing development.

Preservation of Assisted Units At Risk of Conversion

Jurisdictions are required by state Housing Element law to analyze government-assisted housing that is eligible to convert from low-income to market-rate housing over the next 10 years. State law identifies housing assistance as a rental subsidy, mortgage subsidy, or mortgage insurance to an assisted housing development. Government-assisted housing might convert to market-rate housing for a variety of reasons, including expiring subsidies, required mortgage repayments, or expiration of affordability restrictions.

Qualified Entities

Under Government Code Section 65863.11, owners of federally assisted projects must provide a Notice of Opportunity to Submit an Offer to Purchase to qualified entities (nonprofit or for-profit organizations) that agree to preserve the long-term affordability if they should acquire

at-risk projects at least one year before the sale or expiration of use restrictions. Qualified entities have first right of refusal for acquiring at-risk units. Qualified entities are nonprofit or for-profit organizations with the legal and managerial capacity to acquire and manage at-risk properties, and which agree to maintain the long-term affordability of projects. The following is a list of qualified entities from HCD for Santa Clara County that could potentially acquire and manage properties if any were at risk of converting to market rate in the future.

- Cambrian Center, Inc.
- Charities Housing Development Corp.
- Palo Alto Senior Housing Project, Inc.
- Mid-Peninsula Housing Coalition
- Affordable Housing Foundation
- Palo Alto Housing Corp [\(Alta Housing\)](#)
- Satellite Housing Inc.
- ROEM Development Corporation
- Silicon Valley at Home
- L + M Fund Management LLC

Inventory of At-Risk Units

Per Government Code Section 65863.10, assisted housing developments are defined as multifamily, rental housing complexes that receive government assistance under any of the specified federal, state, and/or local programs.⁶ There are approximately [1,926](#) assisted affordable housing units in Gilroy. The City is currently inventorying its assisted housing developments to determine which developments are at risk of conversion.

As shown in Table 29, Maria Way Home, Glenview Drive Home, and Parkview Apartments all have estimated affordability end years in the next four (4) years. Thus, there are 55 units within three projects that are at risk of conversion to market rate before 2031. Program **C - 6** is included to complete the inventory of assisted units in the City. Should the units expire during the 6th Cycle, the City will ensure that owners are contacted and advanced notice to tenant is provided.

⁶ HCD Building Blocks, <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/assisted-housing-developments-risk-conversion>

Table 29: Potential Units at Risk of Conversion

Project	Address	Total Units	Assisted Units	Estimated Affordability End Year
Gilroy Garden Apartments	9250 Wren Ave	74	73	
Lilly Garden Apartments	8800 Lilly Ave	84	83	
<u>Maria Way Home</u>	<u>780 Maria Way</u>	<u>5</u>	<u>5</u>	<u>8/21/2022</u>
<u>Glenview Drive Home</u>	<u>6940 Glenview Drive</u>	<u>5</u>	<u>5</u>	<u>12/19/2026</u>
<u>Parkview Apartments (Pierce Street Apartments)</u>	<u>181 Pierce Street</u>	<u>54</u>	<u>45</u>	<u>3/31/2023</u>
Total		64	55	

Source: LIHTC Database, 2022.

Replacement Costs

The California Tax Credit Allocation Committee's 2020 report provides estimates and data on the cost of building assisted units. It estimates that the average cost of an assisted unit in the State of California is \$439,827.⁷ However, the estimated cost in Santa Clara County is higher, with an average per unit cost of \$607,463.

Table 30 summarizes the estimated replacement costs per unit using construction cost estimates from the UC Berkeley Turner Center's 2018 Construction Cost Index and average unit sizes in the City of Gilroy from RentCafe. Combined, they provide an estimate for replacement costs by unit size specific to Gilroy. It ranges from \$261,690 for a one-bedroom unit to \$494,520 for a four-bedroom unit. However, at the time of publication, construction costs have increased due to supply issues associated with the COVID-19 pandemic.

⁷ California Tax Credit Allocation Committee, 2020 Annual Report. <https://www.treasurer.ca.gov/CTCAC/2020/annualreport/2020-TCAC.pdf>

Table 30: Replacement Cost

Unit Size	Construction Cost per Square Foot	Average Square Foot/ Unit	Replacement Cost per Unit	Number of At-Risk Units	Total Replacement Cost
1 bedroom	\$390	671	\$261,690	<u>8</u>	<u>\$ 2,093,520</u>
2 bedroom	\$390	901	\$351,390	<u>17</u>	<u>\$ 5,973,630</u>
3 bedroom	\$390	1,091	\$425,490	<u>20</u>	<u>\$ 8,509,800</u>
4 bedroom	\$390	1,268	\$494,520	<u>10</u>	<u>\$4,945,200</u>
Total	--	--	--	<u>55</u>	<u>\$ 21,522,150</u>

Source: 2018 UC Berkeley Turner Center Construction Cost Index, RentCafe

Financial Resources

A variety of programs exist to assist cities to acquire, replace, or subsidize at-risk affordable housing units. The following summarizes financial resources available to the City of Gilroy.

Preservation Strategies

There are many options to preserving units, including providing financial incentives to project owners to extend low-income use restrictions; purchasing affordable housing units by a nonprofit or public agency; or providing local subsidies to offset the difference between the affordable and market rate. Scenarios for preservation will depend on the type of project at risk.

Tenant-based subsidies could be used to preserve the affordability of housing. The Housing Authority of Santa Clara County and local nonprofit agencies provide Section 8 Housing Choice Vouchers to lower-income households. These agencies could request funding from the City to provide vouchers for residents if additional sources of revenue were available.

Federal Programs

Community Development Block Grant (CDBG) – CDBG funds are awarded to cities on a formula basis for housing activities. The primary objective of the CDBG program is the development of viable communities through the provision of decent housing, a suitable living environment, and economic opportunity for principally low- and moderate-income persons. CDBG funds can be used for housing acquisition, rehabilitation, economic development, and public services.

HOME Investment Partnership – HOME is a flexible grant program and funds are awarded on a formula basis for housing activities. HOME considers local market conditions, inadequate housing, poverty, and housing production costs. HOME funding is provided to jurisdictions to assist rental housing or homeownership through acquisition, construction, reconstruction and/or rehabilitation of affordable housing.

Section 8 Rental Assistance / Housing Vouchers Program – The Section 8 Rental Assistance / Housing Vouchers Program provides rental assistance payments to owners of private, market-rate units on behalf of very low-income tenants.

Section 811/202 Program – Nonprofit and consumer cooperatives can receive no interest capital advances from HUD under the Section 202 program for the construction of very low-income rental housing for seniors and persons with disabilities. These funds can be used in conjunction with Section 811, which can be used to develop group homes, independent living facilities, and immediate care facilities. Eligible activities include acquisition, rehabilitation, new construction, and rental assistance.

State Programs

California Housing Finance Agency (CalHFA) Multifamily Programs – CalHFA's Multifamily Programs provide permanent financing for the acquisition, rehabilitation, and preservation or new construction of rental housing that includes affordable rents for low- and moderate-income families and individuals. One of the programs is the Preservation Acquisition Finance Program, which is designed to facilitate the acquisition of at-risk affordable housing developments and provide low-cost funding to preserve affordability.

Low-Income Housing Tax Credit (LIHTC) – This program provides tax credits to individuals and corporations that invest in low-income rental housing. The LIHTC program creates affordable housing opportunities when the developer of a project “sells” the tax credits to an investor or investors who contribute equity to the development in exchange for an ownership position in the project.

California Community Reinvestment Corporation – The California Community Reinvestment Corporation is a multifamily affordable housing lender whose mission is to increase the availability of affordable housing for low-income families, seniors, and residents with special needs by facilitating private capital flow from its investors for debt and equity to developers of affordable housing. Eligible activities include new construction, rehabilitation, and acquisition of properties.

Program Efforts to Preserve At-Risk Units

Through the Community Development Department, the City monitors the list of affordable housing units and their eligibility to convert to market-rate housing. Constant monitoring allows the City to anticipate the time frame by which affordability covenants would expire, thus permitting the City to implement various resources to ensure the continued affordability of the housing units. Through the Consolidated Annual Performance and Evaluation Report (CAPER), the City annually checks with the regional HUD division on the status of rental multifamily housing units that are funded with federal subsidies. To monitor for-sale affordable units, the City's BMR Program Administrator annually sends a “Below Market-Rate” pamphlet in English and Spanish to all property owners under a resale restriction program. The pamphlet reminds the owners that their home is currently in the program and directs them to contact City staff when they plan to sell, refinance, or transfer ownership of their

property. The City is including Programs **C - 1**, **C - 2**, **C - 4**, and **C - 5** for preservation of at-risk and other below market-rate units.

Quantified Objectives

Housing Element law requires that cities establish a maximum number of units that can be converted over the planning period. As shown in Table 29, three (3) assisted projects with a total of 55 units may be at risk of converting to market-rate housing within the planning period. Program **C - 1** and **C - 6** are included to confirm the expiration dates and preserve at-risk units.

Special Needs Groups

Certain segments of the population may have more difficulty finding decent, affordable housing due to special needs. This section identifies the housing needs for elderly persons, large households, female-headed households, persons with disabilities (including developmental disabilities), homeless persons, farmworkers, and extremely low-income households. People may belong to more than one special needs group. Identifying special needs groups helps to fully assess Gilroy's housing needs and develop appropriate programs and actions to address them. The City maintains a list on its website of affordable rentals in Gilroy and what population each property serves.

Persons with Disabilities

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for this special needs group. The 2019 ACS survey estimates that 8 percent of Gilroy, 8 percent of Santa Clara County, and 10 percent of the Bay Area region have a disability.⁸

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. The types of disabilities included in the Census are:

- Hearing difficulty: deaf or has serious difficulty hearing
- Vision difficulty: blind or has serious difficulty seeing even with glasses
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions
- Ambulatory difficulty: has serious difficulty walking or climbing stairs

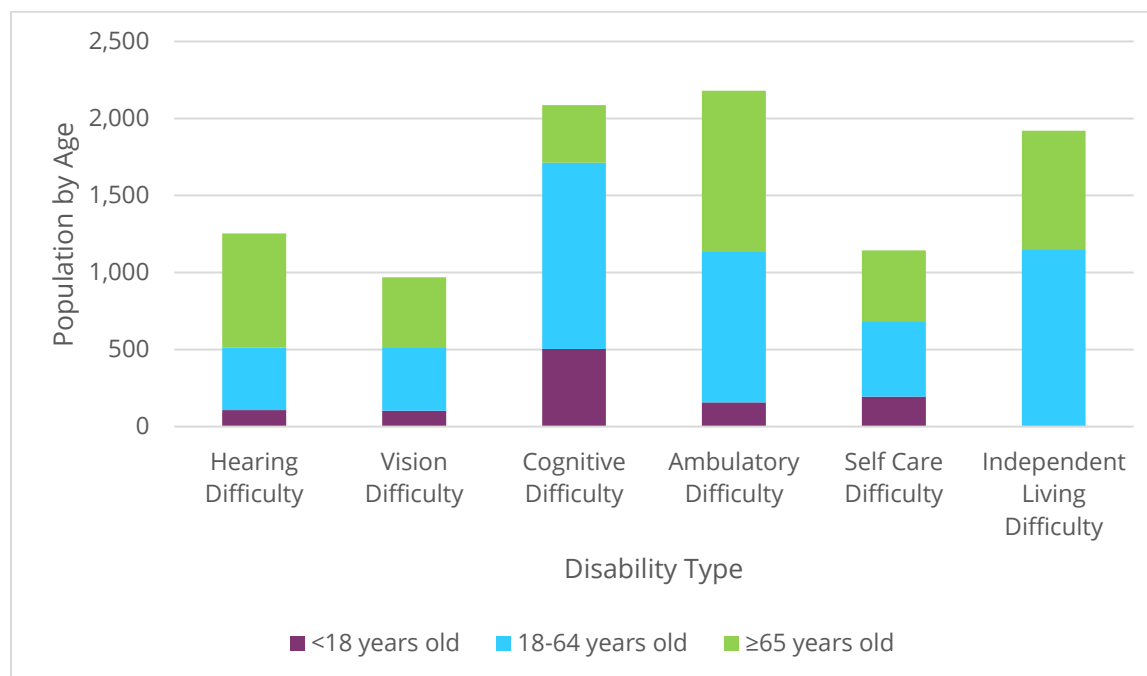
⁸ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101.

- Self-care difficulty: has difficulty dressing or bathing
- Independent living difficulty: has difficulty doing errands alone, such as visiting a doctor's office or shopping

Figure 5 shows an estimate of the number of Gilroy residents with disabilities by type of disability and age group. The most prevalent types of disability are cognitive, ambulatory, and independent living difficulty. Note that individuals may have more than one type of disability.

Ambulatory issues are the highest reported disability citywide. A large population with walking difficulty creates a need for single-story housing, elevators, transit access, wheelchair access, larger homes for live-in help, and proximity to health facilities. For many in need of live-in help or living assistance, accessory dwelling units (ADUs) may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes pre- designed "model" plans for ADUs that meet zoning, building, and fire codes. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Figure 5: Disability by Type, 2019



Source: ACS 2019 Table B18108.

Persons with Developmental Disabilities

A subgroup of disabled residents is those who are developmentally disabled. Housing Element law mandates that an analysis of special needs of disabled persons, including persons with developmental disabilities, be included in Housing Elements.

Local Data

Kalisha Webster with Housing Choices.org works with the intellectual and developmentally disabled residents of Villa Esperanza in Gilroy. Ms. Webster provided a Developmental Disabilities Housing Needs Analysis for the City's draft Housing Element that included the following information.

People with disabilities face additional housing challenges. Many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance due to the high cost of care. When it comes to housing, people with disabilities generally are not only in need of lower-income housing but accessibly designed housing, which offers greater mobility and opportunity for independence. Unfortunately, the need typically outweighs what is available, particularly in a housing market with such high demand. People with disabilities are at a higher risk for housing insecurity, homelessness and institutionalization, particularly when they lose aging caregivers.

Many developmentally disabled persons are able to live and work independently. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. When developmental disabilities exist before adulthood, the first housing issue for the developmentally disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

The City of Gilroy is home to 520 people with developmental disabilities, as shown in Table 31. The table below shows that Gilroy has a lower concentration of adults with developmental disabilities than other jurisdictions in Santa Clara County: 59 percent of Gilroy residents with developmental disabilities are 18 and older compared to 63 percent in Santa Clara County. Instead, a higher proportion of Gilroy's residents with developmental disabilities are under age 18 (41% vs 37%). As discussed below, a lack of affordable housing with supportive services could be one of the factors contributing to fewer adults with developmental disabilities being able to live in the City of Gilroy.

Table 31: Gilroy and Santa Clara County Population with Developmental Disabilities

Age	Gilroy	Santa Clara County
<u>Under 18</u>	<u>212 (41%)</u>	<u>4,016 (37%)</u>
<u>18 and older</u>	<u>308 (59%)</u>	<u>6,737 (63%)</u>
<u>Total</u>	<u>520</u>	<u>10,753</u>

Source: Gilroy data provided by San Andreas Regional Center as of November 2021. County data based on county-level data published by Department of Developmental Services as of June 2021.

Living Arrangements of Gilroy Adults with Developmental Disabilities:

Local Data

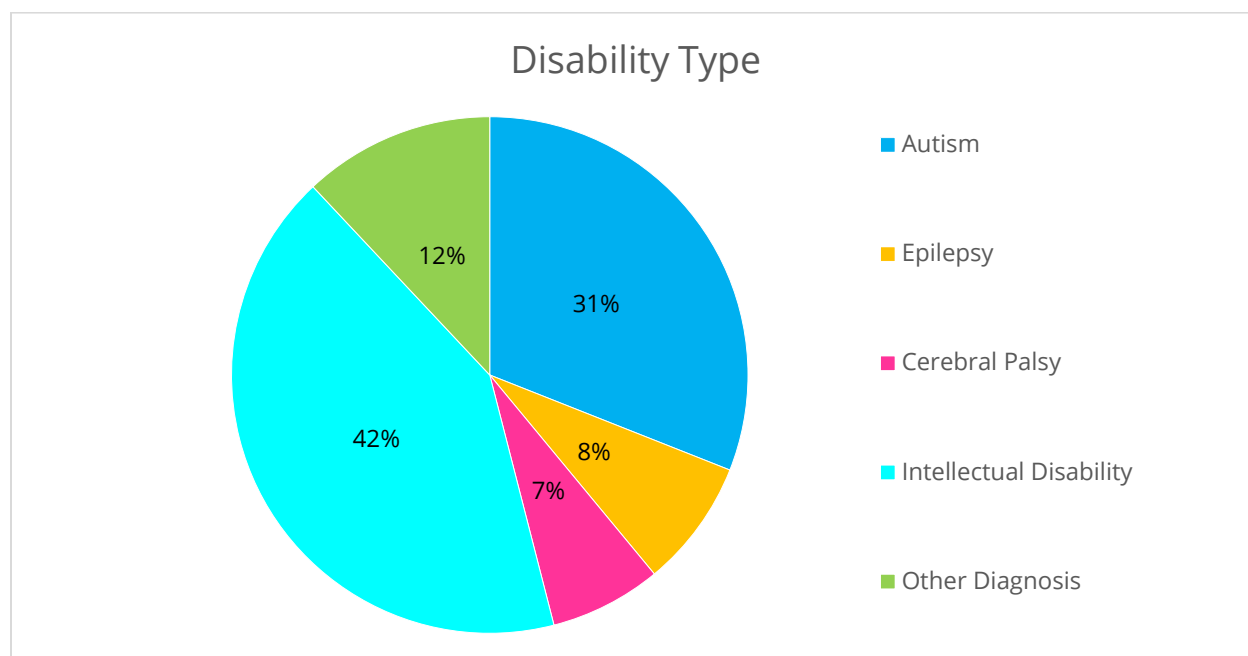
According to the Developmental Disabilities Housing Needs Analysis report prepared specifically for Gilroy by Kalisha Webster with Housing Choices.org, assessing the housing needs of adults with developmental disabilities is of particular importance because, as they age, the adults will require a residential option outside the family home, whereas the family home is the preferred living option for children with developmental disabilities. Living arrangements for adults with developmental disabilities in Gilroy closely mirror that of all adults with developmental disabilities in the County. As of November 2021, the San Andreas Regional Center reported that the family home is the most common living arrangement for Gilroy adults with developmental disabilities, with 65 percent of adults continuing to live in the family home; the same percentage is found throughout the County. Only 8 percent of Gilroy adults with developmental disabilities have successfully transitioned to living in their own apartment, which is lower than the County's percentage, at 11 percent. This is most likely due to a lack of deeply affordable housing in the City. The availability of extremely low income (30% AMI) housing is needed for adults with developmental disabilities to live independently. As of 2021, 26 percent of Gilroy adults with developmental disabilities were reported to be living in licensed care facilities, higher than the County overall (23%). Opportunities for adults to live in a licensed care facility are declining throughout the County, thus fueling the need for affordable housing with supportive services, to decrease the risk of homelessness or displacement when a parent or family member is no longer able to provide housing for the developmentally disabled individual.

Table 32: Living Arrangements of Adults with Developmental Disabilities

Adult Living Arrangements	Gilroy	Santa Clara County
<u>In the family home</u>	<u>200 (65%)</u>	<u>4,362 (65%)</u>
<u>Own apartment with supportive services</u>	<u>26 (8%)</u>	<u>756 (11%)</u>
<u>Licensed Facilities</u>	<u>79 (26%)</u>	<u>1,525 (23%)</u>
<u>Other (including homeless)</u>	<u>3 (1%)</u>	<u>94 (1%)</u>
<u>Total Adults</u>	<u>308</u>	<u>6,737</u>

Source: Kalisha Webster, Housing Choices.org

The San Andreas Regional Center provides service to developmentally disabled individuals throughout Santa Clara, Santa Cruz, San Benito, and Monterey Counties. According to the California Department of Developmental Services, as of December 2020, the San Andreas Regional Center served 17,309 residents with developmental disabilities in the region. Figure 6 displays the breakdown of type of developmental disabilities served at the San Andreas Regional Center. The largest populations served are those with an intellectual disability (42 percent) followed by autism (31 percent).

Figure 6: Developmental Disability by Type Served by San Andreas Regional Center, 2020

Source: California Department of Developmental Services, 2020.

Outreach to Services Providers

Local Data

On January 24, 2023, in collaboration with Housing Choices, the City held a virtual meeting for intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults). The meeting was attended by 11 participants, with representatives from Housing Choices and the San Andreas Regional Center in attendance. Housing Choices was born as an advocacy organization, mobilizing stakeholders to create new housing opportunities for people with developmental and other disabilities and are committed to educating local elected officials, city and county housing staff, and housing developers about the opportunity to plan for and include people with developmental and other disabilities in their local housing plans. The San Andreas Regional Center is a community-based, private nonprofit corporation funded by the State of California to serve people with developmental disabilities as required by the Lanterman Developmental Disabilities Act.

On February 15, 2023, City staff also met with 12 I/DD residents, caregivers, and staff at Villa Esperanza, a single-story 21-unit low-income apartment development that includes services for intellectually and developmentally disabled (I/DD) individuals. The Villa Esperanza housing development is managed by Eden Housing and receives services from Housing Choices and the San Andreas Regional Center. Approximately 25% of the units have live-in caregivers. Some of the units are occupied by families with children.

Both meetings were helpful in providing staff with a better understanding of I/DD community needs. Participants expressed a need for extremely low-income housing since I/DD individuals

generally rely on social security income. The City is including Programs A - 6, A - 7, and A - 8 to promote the construction of and incentivize the affordability of ADUs for I/DD individuals and their caregivers. The City is also including Program A - 11 to develop an inclusionary housing policy and Program A - 12 to develop incentives beyond density bonus state law to facilitate the creation of extremely low-income units in higher opportunity areas. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as persons with disabilities.

Participants also expressed a need for project-based vouchers. The City is including Programs A - 8 and D - 3, which include providing financial assistance for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. The City will notify interested residents and provide technical assistance to residents who need help applying to the Santa Clara County Housing Authority (SCCHA) voucher program.

Another identified need by participants was housing and services for both independent living and supportive living skills. For individuals in need of independent living assistance, accessory dwelling units (ADUs) may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes pre-designed "model" plans for ADUs that meet zoning, building, and fire codes. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Elderly Persons

Elderly persons are considered a special needs group because they are more likely to have fixed incomes. Elderly persons are generally defined as people aged 65 years and older. They often spend a higher percentage of their income on food, housing, medical care, and personal care compared to non-elderly persons. Elderly persons may have special needs related to housing location and construction. Because of limited mobility, elderly persons typically need easier access to medical services, amenities such as shopping, and public transit. In terms of housing construction, elderly persons may need ramps, handrails, elevators, lower cabinets and counters, and special security devices to allow for greater self-protection.

According to the 2020 US Census, and as shown in Table 33, Gilroy has a slightly lower percentage of elderly householders than the County; 19 percent of Gilroy's residents were elderly, while 21.3 percent of the County's residents were elderly.

Table 33: Householders by Age, 2020

Householder Age	Gilroy		Santa Clara County	
	Households	%	Households	%
15-24 Years	271	1.7%	15,468	2.4%
25-34 Years	1,990	12.3%	107,194	16.8%
35-64 Years	10,794	66.9%	381,415	59.7%
65-74 Years	1,921	11.9%	74,305	11.6%
75 Plus Years	1,150	7.1%	61,833	9.7%
Total	16,126	100%	640,215	100%

Source: 2019 ACS 5 Year Estimates.

As indicated in Table 34, the 2019 median household income for households with a resident aged 65 and older was \$71,432 in Gilroy and \$75,758 in Santa Clara County. This is compared to the citywide median income of \$101,616 and countywide median income of \$133,076 in 2019. The lower income is likely because fewer elderly persons are working full-time, and most income comes from Social Security and/or part-time work.

Table 34: Median Household Income for Elderly Households, 2019

Householder Age	City of Gilroy Median Income	Santa Clara County Median Income
65 Years and Older	\$71,432	\$75,758
All Households	\$101,616	\$133,076

Source: ACS 2019 5 Year Estimates

Based on HUD's 2014-2018 CHAS data shown in Table 35, 47.4 percent of elderly households in Gilroy are in one of the lower-income categories. Santa Clara County had a slightly smaller percentage of elderly households within the lower-income categories, at 45.8 percent.

Table 35: Income Distribution, Elderly Households, 2018

Income	Gilroy		Santa Clara County	
	Number	%	Number	%
Less than or equal to 30% of HAMFI	980	20.2%	39,300	19.7%
Greater than 30% but less than or equal to 50% of HAMFI	695	14.3%	26,085	13.1%
Greater than 50% but less than or equal to 80% of HAMFI	625	12.9%	26,380	13.2%
Greater than 80% of HAMFI	2,555	52.6%	108,105	54.1%
Total	4,855	100%	199,870	100%

Source: HUD 2014-2018 CHAS data.

Table 36 displays the percentage of the elderly population and their disability status. Of people aged 65 and above, 11.3 percent have one type of disability and 16.5 percent have two or more disabilities. The City and County have similar percentages of elderly individuals with disabilities, at 27.8 and 30.7 percent, respectively.

Table 36: Elderly People with Disabilities, 2019

Disability Status	# of Elderly People with a Disability	% of People Age 65+	# of Elderly People with a Disability	% of People Age 65+
	Gilroy		Santa Clara County	
With one type of disability	669	11.3%	31,527	12.4%
With two or more types of disability	978	16.5%	46,455	18.3%
Total, Elderly with a Disability	1,647	27.8%	77,982	30.7%

Source: ACS 2019 Table C18108.

Table 37 provides a summary of housing problems experienced by elderly households in Gilroy. According to the 2014-2018 CHAS data, 61.6 percent of all elderly households experience some type of housing problem. This includes 81.3 percent of elderly renters and 54.5 percent of elderly owners. The increasing number of elderly persons in the population is creating a demand for more affordable and accessible housing.

The City will address the needs of the elderly population through Program E - 6, which will develop incentives for senior housing in the City. Program E - 6 will also remove potential zoning constraints to the development of senior housing. The City will conduct a study to determine if reduced parking standards for senior housing are appropriate and, based on the findings of the study, may revise the Zoning Ordinance to reduce said parking standards for senior housing. In addition, the Gilroy Senior Center provides access to a variety of support services at the center, including the YMCA Nutrition program, which serves lunch Monday to Friday; free legal services through Senior Adults Legal Assistance; and information and assistance with social security, housing, and employment matters through Sourcewise Community Resources Solutions. Through CDBG and the Housing Trust/PLHA Funds, the City allocated funds for Meals on Wheels and Rebuilding Together Silicon Valley's Rebuilding Home Repair, Rehabilitation and Accessibility Modification Program. Also, Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors.

Table 37: Elderly Households by Housing Problems and Tenure, 2018

Housing Problem Type	Renters	Owners	Total (Elderly Households)
% with any Housing Problem	81.3%	54.5%	61.6%
% with Cost Burden	29.5%	15.7%	19.4%
% with Severe Cost Burden	29.1%	20.0%	22.4%
Total	843	2,350	3,193

Source: 2014-2018 HUD CHAS data.

Large Households

State housing law defines large households as households with five or more members. Large households are considered a special needs group based on the limited availability of adequately sized, affordable housing units. Large households may have lower incomes, which could result in the overcrowding of smaller units. Table 38 displays household size by tenure for both Gilroy and the County. In 2019, there were 3,916 large households, representing 24.3 percent of all households in Gilroy. Compared to the County as whole, Gilroy has almost double the percentage of large households (24.3 versus 12.4 percent). The disproportionately high number of large households may indicate a need for larger units in Gilroy to accommodate large households. The City is including Program E - 11 to prioritize funds to assist in the development of housing to serve special needs households, such as large families. The 5th Cycle Program H-4.A (Housing for Large Families) has been consolidated with 6th Cycle Program A - 12 to include incentives beyond density bonus state law for developments that include housing for large households.

Table 38: Large Households by Tenure, 2019

Number of Persons in Unit	Owner Occupied	%	Renter Occupied	%	Total
Gilroy					
Five	1,239	58.6%	876	41.4%	2,115
Six	636	60.7%	412	39.3%	1,048
Seven or more	405	53.8%	348	46.2%	753
<i>Total Large Households</i>	2,280	58.2%	1,636	41.8%	3,916
<i>% of Total Households</i>	23%		26.3%		24.3%
Total Households	9,914	61.5%	6,212	38.5%	16,126
Santa Clara County					
Five	26,406	57.9%	19,190	42.1%	45,596
Six	10,802	58.0%	7,822	42.0%	18,624
Seven or more	8,684	56.6%	6,650	43.4%	15,334
<i>Total Large Households</i>	45,892	57.7%	33,662	42.3%	79,554
<i>% of Total Households</i>	12.7%		12.1%		12.4%
Total Households	361,105	56.4%	279,110	43.6%	640,215

Source: 2019 ACS B25009.

Based on HUD's 2015-2019 CHAS data shown in Table 39, 51.1 percent of large households in Gilroy are in one of the lower-income categories. Santa Clara County had a smaller percentage of large households within the lower income categories, at 42.9 percent. The City is including Program E - 11 to prioritize funds to assist in the development of affordable housing and to serve special needs households, such as large families.

Table 39: Income Distribution, Large Households, 2015-2019

Income	Gilroy		Santa Clara County	
	Number	%	Number	%
<u>Less than or equal to 30% of HAMFI</u>	<u>1,025</u>	<u>15.1%</u>	<u>16,429</u>	<u>11.9%</u>
<u>Greater than 30% but less than or equal to 50% of HAMFI</u>	<u>1,100</u>	<u>16.2%</u>	<u>20,250</u>	<u>14.7%</u>
<u>Greater than 50% but less than or equal to 80% of HAMFI</u>	<u>1,340</u>	<u>19.7%</u>	<u>22,410</u>	<u>16.3%</u>
<u>Greater than 80% of HAMFI</u>	<u>3,320</u>	<u>48.9%</u>	<u>78,600</u>	<u>57.1%</u>
Total	6,785	100%	137,689	100%

Source: HUD 2015-2019 CHAS data.

Table 40 provides a summary of housing problems experienced by large households in Gilroy by tenure. As previously noted, the types of housing problems include overcrowding, overpayment, and housing lacking kitchen or plumbing facilities. CHAS data from 2014-2018 indicates that 49.2 percent of large households experience at least one of these housing problems, including 72.4 percent of large renter households and 30.3 percent of large owner households.

Currently, less than 10 percent of the City's rental housing stock has four or more bedrooms (refer to Table 24), resulting in a high percentage of large family households that are forced to live in overcrowded situations. To address this need, the Housing Element includes Program A - 12 that will adopt incentives beyond density bonus state law for developments that include housing for large households.

Table 40: Large Households by Housing Problems and Tenure, 2018

	Renters	Owners	Total (Large Households)
% with any Housing Problem	72.4%	30.3%	49.2%
% with Cost Burden	23.2%	12.6%	17.4%
% with Severe Cost Burden	24.3%	6.9%	14.7%
Total Large Households	1,360	1,665	3,025

Source: 2014-2018 HUD CHAS data.

Female-Headed Households

Female-headed households are a special needs group because they experience comparatively low rates of homeownership, lower incomes, and high poverty rates. Table 41 shows the number of female-headed households by tenure. In 2019, 16.2 percent of households in Gilroy were female-headed households. Of the 2,616 female-headed households in Gilroy, 1,410 had children under 18 living with them, while 1,206 had no children present. Gilroy has more

approximately six percent more female-headed households than the County, where 10 percent of households in the County are female-headed households.

In Gilroy, 33 percent of female-headed households with children under 18 were below the poverty line, (approximately 465 households).⁹ This is significantly higher than the poverty rate in Santa Clara County, which is 6.6 percent.

Table 41: Female-Headed Households by Tenure, Gilroy, 2019

Household Type	Owner Occupied		Renter Occupied		Total	% of Total Households (16,126)
	Number	%	Number	%		
Female householder, no spouse present, with children under 18	377	2.3%	1,033	6.4%	1,410	8.7%
Female householder, no spouse present, without children	639	4%	567	3.5%	1,206	7.5%
Total	1,016	6.3%	1,600	9.9%	2,616	16.2%

Source: ACS 2019 Table B25115.

Homeless/Unhoused Population

In [2022](#), the County of Santa Clara, in conjunction with Applied Survey Research, conducted the [2022 Santa Clara County Homeless Census and Survey](#). This survey is conducted every two years in the last ten days of January. [The 2022 Santa Clara County Homeless Census and Survey was performed using HUD-recommended practices for counting and surveying the homeless. The Point-in-Time Homeless Count identified a total of 10,028 persons experiencing homelessness in Santa Clara County in 2022, an increase of 3 percent from the count conducted in 2019.](#) Table 42 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were [814](#) homeless persons surveyed in Gilroy [in January 2022](#), including [606](#) sheltered and [208](#) unsheltered persons.

⁹ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B17010.

Table 42: 2022 Santa Clara County Homeless Census and Survey

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	<u>606</u>	<u>208</u>	<u>814</u>
Campbell	<u>216</u>	<u>0</u>	<u>216</u>
Cupertino	<u>102</u>	<u>0</u>	<u>102</u>
Los Altos	<u>65</u>	<u>0</u>	<u>65</u>
Los Altos Hills	<u>0</u>	<u>0</u>	<u>0</u>
Los Gatos	<u>58</u>	<u>0</u>	<u>58</u>
Milpitas	<u>249</u>	<u>25</u>	<u>274</u>
Monte Sereno	<u>0</u>	<u>0</u>	<u>0</u>
Morgan Hill	<u>60</u>	<u>0</u>	<u>60</u>
Mountain View	<u>206</u>	<u>140</u>	<u>346</u>
Palo Alto	<u>263</u>	<u>0</u>	<u>263</u>
San Jose	<u>4,975</u>	<u>1,675</u>	<u>6,650</u>
Santa Clara	<u>375</u>	<u>65</u>	<u>440</u>
Saratoga	<u>0</u>	<u>0</u>	<u>0</u>
Sunnyvale	<u>279</u>	<u>106</u>	<u>385</u>

Source: Santa Clara County Office of Supportive Housing, October 29, 2022.

Local Data

According to one of the City of Gilroy's Quality of Life Officers, a majority of unhoused individuals are Hispanic, consistent with the overall population of Gilroy. Based on his observations, unhoused persons in Gilroy mostly reside in creek areas, including for example Miller creek. Many unhoused persons also reside near the IOOF bridge. Although most of the observed unhoused persons are physically able to move around by either walking or riding a bicycle, they do not generally migrate to hillside areas or edges of the City where there are fewer businesses or access to food. Furthermore, based on his observations, a very large majority of the unhoused are mentally challenged, whether it be self-induced from drugs, or because they are mentally ill. The Quality of Life Officer also stated that less than 20 percent of the unhoused persons he encounters take advantage of available services.

Table 43 lists emergency shelters and transitional housing in Gilroy.

The Countywide services and shelter provider, HomeFirst Services, provides a 24/7 shelter for adults at the Gilroy shelter. The Gilroy shelter provides sleeping accommodations, meals, restrooms, showers, mobile laundry, and case management support services via South County Compassion Center staff. It has a capacity of serving 100 persons.

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March. It provides 128 shelter beds and has the capacity to house 35 unhoused families with a dependent child under the age of 18. St. Joseph's Family Center manages the shelter and referral process. Walk-ins or families without a referral from a designated community partner are not accepted and 5-7 spots are reserved for Here4You call center hotline referrals. EAH Housing is contracted for day-to-day property management operations and site security.

According to conversations with service providers, if the weather is manageable, unhoused individuals express a strong reluctance to use the service. The service providers stress the need for a permanent emergency shelter as well as shelter or housing for single adults who do not exhibit mental illness or substance abuse disorders.

The City of Gilroy provides annual funds to homelessness prevention support and services through the PLHA. For FY 22-23 and FY 23-24: St. Joseph's Family Center received \$180,000 to provide emergency rental and utility assistance, as well as training and employment readiness to prepare individuals that are homeless or at risk of homelessness. Community Agency for Resources Advocacy and Services received \$40,000 to provide rental and deposit assistance. South County Compassion Center received \$80,000 to provide services to unhoused Gilroy residents and to connect them with services that can help them attain permanent housing. Through its CDBG-CV funds, the City provided an additional \$287,309 in support to Saint Joseph's Family Center's Rental Assistance program.

Table 43: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds <u>or</u> Families Served
<u>Gilroy</u> Shelter	<u>Emergency</u> Shelter	<u>Adults Only</u>	<u>100</u>
Arturo Ochoa Migrant Center ¹⁰ (adjacent to Gilroy)	Cold Weather Shelter	Households with a dependent under 18	35 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25

Source: City of Gilroy, County of Santa Clara.

Farmworkers

Farmworkers are defined as persons whose primary incomes are earned through seasonal agricultural work. The demographics on farm laborers in all California markets are collected and reported on a regional or countywide basis. The data collected includes income, household status, and length of time the laborers work in each area.

There are generally three classifications:

- Migrant workers who move from place to place, planting and harvesting; and
- Annual workers who generally work in the same agricultural area year after year for nine or ten months and spend the rest of the year in their home country; and
- Permanent workers who are employed most of the year in one location and may collect unemployment for the remainder of the year.

Traditionally, Gilroy has been home to many agricultural businesses and industries; however, the increase in the retail and service trade and the expansion of the City as a “bedroom community” for northern Silicon Valley jobs continues to reduce the role of agriculture. Many of these farms are located in the southern areas of the County, in the regions surrounding Gilroy. The majority of farmworkers, almost 80 percent, work on farms with more than 10 employees.

¹⁰ The Arturo Ochoa Migrant Center is located slightly outside city bounds, but serves Gilroy residents.

The US Department of Agriculture conducts a Census of Agriculture every five years. As indicated in Table 44, there were an estimated 4,175 farmworkers in the County working on 359 farms in 2017. This represents a decrease of 1,414 farmworkers compared to the 2007 study, when there were 5,589 farmworkers.

The 2019 ACS estimates indicate that 2.9 percent of Gilroy is employed in the agriculture and natural resource industry, a decrease from 4.6 percent in 2012.¹¹

Table 44: Number of Santa Clara County Farmworkers and Farms, 2017

Farm /Worker Type	Farmworkers	Farms
Farm Size		
Farms with less than 10 employees	847	293
Farms with more than 10 employees	3,328	66
Length of Employment of Workers		
Workers working 150 days or more	2,418	-
Workers working less than 150 days	1,757	-

Source: 2017 Census of Agriculture, Table 7.

The California Department of Conservation's Important Farmland Finder indicates that the vicinity to the east and south of the Gilroy City limits includes large amounts of prime farmland, farmland of local or statewide importance, and unique farmland.¹² The presence of such farmland indicates a need for farmworker housing to support those who work on farmland in and around the City.

Due to the seasonal nature of agricultural work and relatively low wages, farmworker households often have a difficult time securing safe, habitable, and affordable housing.

Eden Housing manages three housing developments within Gilroy City limits, providing 56 housing units for farmworkers:

- 14 units at The Trees
- 24 apartments at Aspen Grove
- 18 units at Maple Gardens

The Rodriguez Migrant Labor Camp, which houses 37 seasonal farmworkers, is privately owned, and is also located just outside of the City limits.

Eden Housing also operates the Arturo Ochoa Migrant Center, located just outside Gilroy City limits. The center functions as a migrant camp from April through November each year.

¹¹ US Census Bureau, American Community Survey (2015–2019), Table C24030.

¹² California Department of Conservation. California Important Farmland Finder. <https://maps.conservation.ca.gov/DLRP/CIFF/>

providing housing for 100 farmworker families within 33 three-bedroom and 67 two-bedroom apartments.

Local Data

In November and December 2022, the City of Gilroy worked with staff from the Ochoa Migrant Camp to survey resident farmworkers. Twenty-six (26) surveys were completed by the farmworkers with assistance from bilingual staff at the Migrant Camp.

The top three housing issues identified by farmworkers was difficulty paying rent, mortgage, or down-payment (26), followed by insufficient housing supply (11) and homelessness (6). Respondents also identified issues regarding length of rental leases and the need for temporary housing.

Additionally, the primary issues limiting housing options for farmworker respondents included insufficient money available for the deposit (24), and credit history or low credit scores (8). The City of Gilroy modified Programs E - 7 and E - 11 to help facilitate needed housing for farmworkers who work in and surrounding Gilroy.

The Gilroy Zoning Ordinance makes available zoning to accommodate various housing types to address the needs of farmworkers. Manufactured and modular homes are permitted by-right in all residential zoning districts; boarding and rooming houses are allowed in all residential zoning districts with a conditional use permit; and multifamily units are allowed in the R3 and R4 residential zoning districts by right. Currently, the City's Zoning Ordinance is not consistent with the Employee Housing Act;¹³ therefore, as part of this Housing Element update, the City is including Program E - 8 to revise the Zoning Ordinance in 2023.

Extremely Low-Income Households

Extremely low-income households in Gilroy are defined as households with income less than 30 percent of the Santa Clara County AMI. The provisions of Government Code Section 65583 (a)(1) require quantification and analysis of existing and projected housing needs of extremely low-income households. In 2018, 16.1 of Gilroy households were within the extremely low-income category, a decrease from 18.9 percent in 2012.

An overcrowded housing unit is defined by the US Census Bureau as a housing unit occupied by more than one person per room (excluding bathrooms, kitchen, hallway, and closet space). Occupancy by more than 1.5 persons per room constitutes severe overcrowding. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock.

Table 45 provides a summary of overcrowding rates experienced by extremely low-income households in Gilroy compared to other income levels. Households in Gilroy experience

¹³https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=13.&title=&part=1.&chapter=1.&article

overcrowding at a higher rate than those in the County. Extremely low-income owner-occupied households experience overcrowding at a similar rate to low-income owner-occupied households, but at a higher rate than other owner-occupied households. Extremely low-income renter-occupied households experience overcrowding at a lower rate than very low- and low-income renter-occupied households.

Overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community. In the 5th cycle, the City included program H.2-G to encourage the development of extremely low-income housing, and the City will continue to encourage developers to include extremely low-income units in their housing projects. The City is also including Programs A - 6, A - 7, A - 8, and A - 15 to promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide an alternative housing supply to allow for housing mobility in higher opportunity areas. The City will develop an inclusionary housing policy under Program A - 11 and incentives to create extremely low-income units under an incentives beyond density bonus state law Program A - 12.

Table 45: Overcrowding by Income Level, 2019

Housing Income Range	Households	Number of People per Room			
		Overcrowding (>1 person per room)		Severe Overcrowding (>1.5 persons per room)	
	Number	Number	%	Number	%
City of Gilroy: Owner Households					
Less than or equal to 30% of HAMFI	880	70	8.0%	20	2.3%
Greater than 30% but less than or equal to 50% of HAMFI	1,024	44	4.3%	4	0.4%
Greater than 50% but less than or equal to 80% of HAMFI	1,385	115	8.3%	35	2.5%
Greater than 80% but less than or equal to 100% of HAMFI	1,295	20	1.5%	0	0.0%
Greater than 100% of HAMFI	5,334	99	1.9%	4	0.1%
Total	9,918	348	3.5%	63	0.6%
City of Gilroy: Renter Households					
Less than or equal to 30% of HAMFI	2,195	375	17.1%	200	9.1%
Greater than 30% but less than or equal to 50% of HAMFI	1,300	310	23.9%	125	9.6%

Housing Income Range	Households	Number of People per Room			
		Overcrowding (>1 person per room)		Severe Overcrowding (>1.5 persons per room)	
	Number	Number	%	Number	%
<u>Greater than 50% but less than or equal to 80% of HAMFI</u>	<u>1,160</u>	<u>255</u>	<u>22.0%</u>	<u>40</u>	<u>3.5%</u>
<u>Greater than 80% but less than or equal to 100% of HAMFI</u>	<u>570</u>	<u>55</u>	<u>9.7%</u>	<u>25</u>	<u>4.4%</u>
<u>Greater than 100% of HAMFI</u>	<u>975</u>	<u>135</u>	<u>13.9%</u>	<u>80</u>	<u>8.2%</u>
Total	<u>6,200</u>	<u>1,130</u>	<u>18.2%</u>	<u>470</u>	<u>7.6%</u>
Santa Clara County: Owner Households					
<u>Less than or equal to 30% of HAMFI</u>	<u>34,600</u>	<u>975</u>	<u>2.8%</u>	<u>280</u>	<u>0.8%</u>
<u>Greater than 30% but less than or equal to 50% of HAMFI</u>	<u>33,095</u>	<u>1,870</u>	<u>5.7%</u>	<u>345</u>	<u>1.0%</u>
<u>Greater than 50% but less than or equal to 80% of HAMFI</u>	<u>38,665</u>	<u>2,155</u>	<u>5.6%</u>	<u>510</u>	<u>1.3%</u>
<u>Greater than 80% but less than or equal to 100% of HAMFI</u>	<u>31,345</u>	<u>1,665</u>	<u>5.3%</u>	<u>585</u>	<u>1.9%</u>
<u>Greater than 100% of HAMFI</u>	<u>223,395</u>	<u>5,530</u>	<u>2.5%</u>	<u>1,130</u>	<u>0.5%</u>
Total	<u>361,100</u>	<u>12,195</u>	<u>3.4%</u>	<u>2,850</u>	<u>0.8%</u>
Santa Clara County: Renter Households					
<u>Less than or equal to 30% of HAMFI</u>	<u>64,310</u>	<u>9,360</u>	<u>14.6%</u>	<u>3,830</u>	<u>6.0%</u>
<u>Greater than 30% but less than or equal to 50% of HAMFI</u>	<u>40,810</u>	<u>9,000</u>	<u>22.1%</u>	<u>3,705</u>	<u>9.1%</u>
<u>Greater than 50% but less than or equal to 80% of HAMFI</u>	<u>37,760</u>	<u>7,305</u>	<u>19.3%</u>	<u>2,400</u>	<u>6.4%</u>
<u>Greater than 80% but less than or equal to 100% of HAMFI</u>	<u>26,915</u>	<u>4,000</u>	<u>14.9%</u>	<u>1,520</u>	<u>5.6%</u>
<u>Greater than 100% of HAMFI</u>	<u>109,315</u>	<u>10,360</u>	<u>9.5%</u>	<u>4,320</u>	<u>4.0%</u>
Total	<u>279,110</u>	<u>40,025</u>	<u>14.3%</u>	<u>15,775</u>	<u>5.7%</u>

Source: 2015-2019 CHAS data

Table 46 provides a summary of housing problems experienced by extremely low-income households in Gilroy. Disproportionate housing needs are determined by finding trends in housing problems in the population by race, household size, or household age. A housing unit

is considered substandard or having a housing problem if it has one or more of the following housing conditions:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Housing unit is overcrowded
- Household is cost burdened

Extremely low-income renter-occupied households experience both overpayment and overcrowding. According to 2014–2018 CHAS data provided by HUD, 79.7 percent of extremely low-income households experience at least one type of housing problem. Housing rehabilitation and repair may be more of a cost burden on lower-income households, which may lead to a higher proportion of housing problems. To enhance the quality of existing neighborhoods, the City is including Program C - 2 to utilize Community Development Block Grant (CDBG) funds, as available, to assist in the improvement of substandard housing. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities.

Table 46: Extremely Low-Income Households with Housing Problems, 2018

Income Level	Renters	%	Owners	%	Total	%
<u>Household Income < 30% MFI</u>	<u>1,990</u>		<u>625</u>		<u>2,615</u>	
<u>With any Housing Problem</u>	<u>1,610</u>	<u>80.9%</u>	<u>475</u>	<u>76.0%</u>	<u>2,085</u>	<u>79.7%</u>
<u>With a Cost Burden 30-50%</u>	<u>360</u>	<u>18.1%</u>	<u>70</u>	<u>11.2%</u>	<u>430</u>	<u>16.4%</u>
<u>Cost Burden > 50%</u>	<u>1,230</u>	<u>61.8%</u>	<u>400</u>	<u>64.0%</u>	<u>1,630</u>	<u>62.3%</u>

Source: HUD 2014-2018 CHAS data.

Summary of Housing Needs

An analysis of the housing needs in the City of Gilroy reveals a number of trends, such as an increased need for housing large households and farmworkers. Additionally, compared to the County, Gilroy has a lower median income and larger percentage Hispanic or Latino population.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE
AFFIRMATIVELY FURTHERING FAIR HOUSING

Affirmatively Furthering Fair Housing

Introduction, Outreach, and Assessment

Introduction

Assembly Bill (AB) 686 requires a jurisdiction's housing element to provide an analysis of contributing factors to fair housing issues and to commit to actively and meaningfully affirmatively further fair housing. This analysis includes an assessment of fair housing enforcement, outreach activities, integration and segregation, racially and ethnically concentrated areas of affluence and poverty, disparities in access to opportunities, disproportionate housing needs, and any other contributing factors that serve as impediments to fair housing. The assessment also analyzes the extent to which the identified Regional Housing Needs Allocation (RHNA) sites affirmatively further fair housing.

Public Outreach

The City of Gilroy solicited community input throughout the Housing Element update planning process in a variety of ways. The main strategies to gather public participation are summarized below.

Outreach Activities

Community members were engaged using the following methods:

- Survey available in hard copy and online in both English and Spanish
- Stakeholder focus groups
- Webpage on City website
- Email list
- City newsletter
- Community workshops
- Joint City Council and Planning Commission study session
- Utility billing mailing insert
- Public hearings

Organizations Contacted and Consulted

Organizations contacted and interviewed included:

- Housing & Neighborhood Revitalization Committee
- St. Joseph's Family Center
- Gilroy Historical Society

- Rebuilding Together Silicon Valley
- Project Sentinel
- Gilroy Compassion Center
- Live Oak Adult Day Services
- Silicon Valley at Home
- South County Collaborative
- League of Women Voters
- Aperto Property Management
- Housing Choices
- Health Trust
- Visit Gilroy
- MidPen Housing
- Garlic World
- CARAS South County
- Eden Housing
- Gilroy Unified School District Migrant Education Program

Housing Element Update Website

The City created the Housing Element update webpage on the City's website to provide:

- Background and information on the Housing Element process;
- Link to the Housing Element update survey;
- Documents related to the Housing Element, including the first public review draft, dated September 12, 2022, the October 31, 2022 revised draft as submitted to the California Department of Housing and Community Development (HCD) following the 30-day public comment period, and the second public review draft revised in response to HCD comments;
- Recordings of the community workshop presentations in English and Spanish;
- Notification to the public of future events; and
- Notification and interest sign-up lists and pathways for residents to get involved in the process and to provide comments or questions to the project team or City representatives.

Stakeholder Interviews

The City reached out to 40 individuals and groups who represented service providers, nonprofits, and other stakeholders to participate in focus group interviews about the housing needs and issues in Gilroy. Out of the 40 individuals and groups that were contacted, 25 people participated in the focus groups. Four focus groups were held: Tuesday, March 29, 2022, at 1:00 PM; Tuesday, April 5, 2022, at 1:00 PM; Thursday, April 7, 2022, at 1:00 PM; and Tuesday, April 12, 2022, at 10:00 AM. Hosting the focus group on four different days provided multiple opportunities to accommodate different schedules. The stakeholders who participated discussed a variety of concerns, including:

- Need for incentives to support farmworker housing;
- Need for more education and outreach to inform residents of housing law and affordable housing;
- Need for emergency, short-term stay housing, and senior housing at the extremely low-income area median income (AMI);
- Disparity of housing and quality of infrastructure and amenities between the east side and west side of the City;
- Disparity of incomes between Gilroy and the County AMI, as the City's AMI was \$33,871 less (24%) in 2020;
- Challenges and lack of support for homeownership; and
- Need to incentivize accessory dwelling unit (ADU) construction.

The participants had varying perspectives informed by their involvement and familiarity with Gilroy, but increased services, education and support, equitable development and investment, and a lack of extremely low-income housing were the most consistent and prevalent issues covered.

Public Workshops

Prior to releasing the first public draft of the Housing Element, the City held two bilingual virtual public workshops. The meetings were held on Wednesday, March 30, 2022, at 6:00 PM and Tuesday, June 28, 2022, at 6:00 PM to present information on the Housing Element update and gather public input. Sixty-one members of the community participated in the workshops and provided feedback via live polling and questions and answers on the Housing Element update process including housing needs, the potential RHNA sites, draft goals, and programs. Presentation slides were in English and Spanish. Live Spanish interpretation was provided, recorded, and posted on the project webpage for both workshops.

Following release of the first public draft, the City held a third virtual public workshop on Tuesday, September 27, 2022, at 6:00 PM. The presentation provided a high-level overview of the draft Housing Element chapters and appendices, and the overall goals and programs, and then a brief description of some of the programs that could potentially have the highest impact

on housing production, removal of governmental constraints, and meeting special housing needs. The meeting also included a question-and-answer session with public attendees.

The public workshops were held at 6:00 PM on weekdays to accommodate a typical work schedule. Materials and video recordings of the presentations in English and Spanish were made available on the Gilroy Housing Element webpage on the City's website for those who could not attend, or who wanted to review the materials and meetings at their leisure.

Study Session

An in-person bilingual joint public study session with the City Council and Planning Commission was held on Monday, August 29, 2022, at 6:00 PM. This bilingual meeting included a summary of proposed housing programs to address the identified needs of the community and a map of properties that are currently vacant or underutilized that may provide an opportunity for redevelopment with new housing. The meeting included comments from the public and a question-and-answer session with the Council and Planning Commission.

Spanish interpretation and translation were provided. The meeting recording and the presentation slides in both English and Spanish were posted on the project webpage.

Public Hearings

Following the release of the first public draft, the City held two in-person public hearings. The public hearings were held Monday, October 17, 2022, at 6:00 PM (City Council) and Thursday, October 20, 2022, at 6:00 PM (Planning Commission). The purpose of the meetings was to give the public and the City's decision makers another opportunity to provide comments and suggestions prior to sending the draft to HCD for its review.

Public hearings held on April 20, 2023 (Planning Commission) and May 1, 20223 (City Council) gave the public and the City's decision makers an opportunity to review and comment on Housing Element revisions made in response to HCD's comments.

Housing Element Survey (general population)

Another component of the outreach effort was the Housing Element survey, posted on the City's website from April 2022 through August 2022, and promoted through a myriad of channels for the furthest outreach. The survey was available in both English and Spanish. As of August 2, 2022, a total of 367 English and 143 Spanish completed surveys were received, with 248 (34%) respondents being homeowners, 125 (17%) being renters, 191 (35%) of respondents being white or Caucasian, and 236 (44%) being Hispanic or Latino.¹⁴ Responses to the survey primarily revealed concerns from residents regarding:

- Difficulty paying rent, mortgage, or down payment;

¹⁴ Note: 510 total surveys were completed to varies degrees of completeness. Respondents did not answer every question; therefore percentages represent the percentage of respondents to each question not total number of survey respondents.

- Homelessness; and
- Insufficient housing supply including affordable housing.

Respondents also believe that the greatest housing needs are lower- and middle-income workforce housing and affordable housing. The survey results show strong support for more affordable housing while some respondents feel the City is growing too much and thus did not support more development. Most of the survey and stakeholder responders believe that there are not enough services or housing to support individuals who fall within the extremely low-income designation. Stakeholder interviewees and 94 percent of survey respondents supported the adoption of an inclusionary housing ordinance.

Housing Element Survey (focused outreach)

In addition to posting the housing element survey on the City website, City staff conducted a focused bilingual survey effort for farmworkers, youth, and seniors. Hard copy and online surveys were distributed between November 2022 and the end of January 2023.

- **Farmworker Outreach.** Twenty-six (26) surveys were completed. The top three housing issues identified by farmworkers was difficulty paying rent, mortgage, or down-payment (26), followed by insufficient housing supply (11) and homelessness (6). Respondents also identified issues regarding length of rental leases and a need for temporary housing.
- **Youth Outreach.** Eight (8) surveys were completed. The top housing issues identified by this group was difficulty paying rent, mortgage, or down-payment; overcrowding; homelessness; and lack of suitable housing types. Responses also reflected the desire for the City to implement programs to require affordable housing units in new developments and assist residents with finding available housing.
- **Seniors Outreach.** Nineteen (19) surveys were completed. The top three housing issues identified by seniors were difficulty paying rent, mortgage, or down-payment (12), followed by lack of suitable housing types (9), and insufficient housing supply (7). Respondents identified requiring affordable housing units in new developments (10) and access to low-cost pre-designed plans for ADUs as potential programs to improve housing access in Gilroy.

Focused Stakeholder Meetings

Between December 2022 and February 2023, City staff met with Gilroy's youth, seniors, and the intellectually and developmentally disabled (I/DD) community. On December 12, 2022, City staff attended the Gilroy Youth Commission meeting to discuss the Housing Element update, answer questions, and gather feedback from youth in attendance (~15 to 18 years old). On January 25, 2023, City staff made a presentation to seniors at the Gilroy Senior Center, informing them about the Housing Element and gathering feedback. On January 24, 2023, the City held a virtual meeting with Housing Choices and intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), informing

them about the Housing Element and gathering verbal feedback. On February 15, 2023, the City also met with and gathered verbal feedback from I/DD residents, caregivers, and staff at Villa Esperanza, a facility that provides low-income apartment units and services for persons with disabilities.

Findings

Most focus group attendees and survey respondents support the provision of more assistance, financial or otherwise, to the extremely low-income population in finding housing.

City Overview

Much of the fair housing analysis is based upon census data provided at the census tract level. Gilroy has a total of 11 census tracts. Figure 7 displays the census tracts in the City and the RHNA sites within those census tracts; however, several of the census tracts are not solely in Gilroy and have large portions in neighboring jurisdictions. As a result, demographic information for these census tracts reflects neighboring communities, as well as Gilroy. The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Several of the tracts include more land and more households in adjacent jurisdictions other than in Gilroy. These external households are included in the census data, which may affect the displayed maps.

Until 2018, a large portion of the Downtown Specific Plan area and several properties west of downtown were designated as a Neighborhood Revitalization Strategy Area by the US Department of Housing and Urban Development (HUD). A number of capital improvements, youth activities, neighborhood beautification projects, and other downtown revitalization efforts were pursued during this time.¹⁵ The downtown area in Gilroy is also identified as a Priority Development Area in the Association of Bay Area Governments' Plan Bay Area 2050.

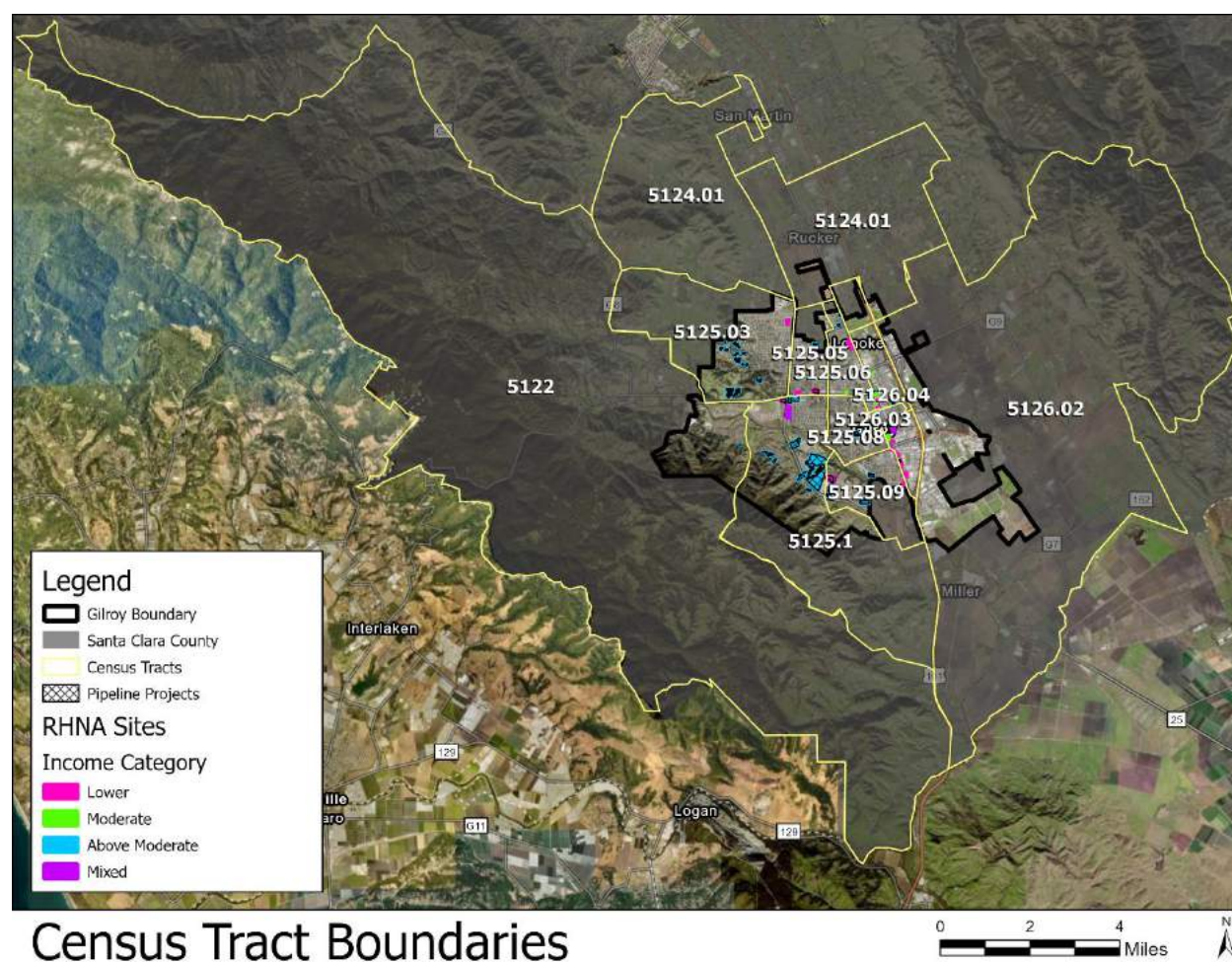
The AFFH section also considers the effects that the selected RHNA sites may have on fair housing. Selected RHNA sites are primarily in the eastern portion of the City, while pipeline projects are more evenly distributed throughout Gilroy. Pipeline projects are defined as pending projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The sites inventory includes a mix of vacant and non-vacant sites, selected for their access to resources, suitability for multifamily housing, and proximity to upcoming plans for community revitalization, including the planned high speed rail station, parking management plan, Downtown Specific Plan update, and currently funded place-based improvements. Additionally, non-vacant sites were selected based on their likelihood to develop during the 6th Cycle and the extent to which the existing use may preclude development.

The City is including Program F - 3 for place-based improvements in the downtown area. The City is also including programs to encourage ADU development in the western portion of the

¹⁵ Neighborhood Revitalization Strategy Area Renewal Request for 2013-2018.
<https://www.cityofgilroy.org/DocumentCenter/View/9045/NRSA-Strategy-Renewal-Request-for-2013-2018>

City to promote housing mobility and increased housing opportunities (Program A - 6).¹⁶ To encourage a variety of housing types throughout the City, a program to create a ministerial permit process for triplexes and quadplexes that meet objective design standards is included (Program A - 10). SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of middle-income housing throughout the City, including high-resource areas primarily comprised of detached single-family residences.

Figure 7: Census Tracts and RHNA Sites, 2022



Source: HCD AFFH Data Viewer

As noted in Table 47, Gilroy is split between the Low, Moderate, and High Opportunity categories, with the intersecting tracts in the west being considered a Racially Concentrated Area of Affluence (RCAA) and the tracts in the east containing a Racially and Ethnically

¹⁶ ADUs are calculated on a citywide basis and are not represented on the sites maps

Concentrated Area of Poverty (R/ECAP)¹⁷. These are relative rankings based on composites of the environmental, economic, and education scores.

Of the 2,053 RHNA sites, including pipeline projects and opportunity sites, 23 percent of units are in Low Resource tracts, 71 percent of units are in Moderate Resource tracts, and 6 percent of units are in High Resource tracts.

Eight (8) of the eleven census tracts that intersect Gilroy have the majority of their area located inside City limits. Of the eight (8) tracts mostly in the City, 41 percent of units are in the tract with the second highest median income. Both High Resource tracts, 5125.03 and 5122, have a large portion of their land area as rural and undeveloped. Due to the large quantities of open space in these tracts, they have disproportionately high environmental TCAC scores (see the California Tax Credit Allocation Committee (TCAC) section for more information). Tract 5122 has an environmental resource category of 91, while the education resource category is scored at 27. The disproportionately high environmental score of this majority rural, open space, steep tract skews the overall opportunity category towards High Resource. This indicates that disparities between the developable area that is actually within the City bounds, and the Low and Moderate Resource opportunity areas of the City may be smaller than indicated. In fact, educational opportunity is significantly higher in the R/ECAP, with an index of 40.

Less than 25 percent of the RHNA units are in the R/ECAP. The majority of the lower-income pipeline RHNA sites are in higher opportunity areas outside of the R/ECAP. It is unlikely that the location of proposed RHNA opportunity sites will exacerbate any fair housing conditions. The City encourages development and redevelopment in the older Downtown R/ECAP, as this is an efficient area with transit, employment, and services. These tracts are also where participants of the focus groups and local housing service providers, specifically advocated for new housing. The High Resource areas of Gilroy in the northwestern tracts are newly developed, single-family, steep and hilly, and not likely to develop or redevelop. This area is the most distant from transit, employment, and services and would not likely score well for affordable housing financing. Despite mapped disparities in opportunity indices, lower-income residents have greater access to job and transit opportunities in the lower resource areas.

The City is including a number of programs to increase housing types and opportunities in higher resource areas of the City. These efforts go beyond sites that are included on the Opportunity Site List and help improve housing choice and mobility, by providing opportunities to increase the number and type of dwelling units in lower density residential zones. Program A - 10 will encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.

¹⁷ HUD defines R/ECAP as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Through Program A - 10, the City will allow triplexes and fourplexes on corner lots in the R1 and R2 zones with a minimum lot size of 6,000 square feet. This includes approximately 1,106 parcels as shown in Figure 33. SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9, by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of middle-income housing throughout the City, including high-resource areas primarily comprising detached single-family residences. Program G - 5 includes the creation of informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. The pamphlets will be provided online, at City Hall, and at informational booths where housing resources are provided. Program A - 6 includes targeted ADU outreach to the single-family neighborhoods.

In the R-1 zone, there are approximately 1,067 parcels with single-family homes on corner lots greater than 6,000 square feet. Allowing triplexes and quadplexes by right on these corner lots could allow for an additional 3,201 units. These units are primarily in the moderate and high resource areas of the City and thus would allow for increased capacity for housing and increased flexibility for middle-income housing in the R1 zone. Of these 1,067 parcels, 361 are in the high resource TCAC category, 664 are in the moderate resource category, and 42 are in the low resource category. Program A - 10 would also apply to approximately 39 corner lots with single-family homes in the R2 zone. Of these 39 parcels, 22 are in the moderate resource category, and 17 are in the low resource category.

Table 47: Comparison of Fair Housing with Respect to Location

<u>Census Tract</u>	<u>RHNA Units¹</u> <u>(% Total)</u>	<u>Total Household</u> <u>s²</u>	<u>Total Population</u> <u>¹⁺²</u>	<u>TCAC Composite</u> <u>Category</u>	<u>Median Household</u> <u>Income</u>	<u>% with a</u> <u>Disability</u>	<u>% of</u> <u>Children in</u> <u>FHH</u>	<u>CalEnviroS</u> <u>creen</u> <u>Percentile</u>	<u>% Non-</u> <u>White</u>	<u>R/ECAP</u> <u>Present</u>
Census Tracts Mostly Inside of Gilroy										
<u>5125.03</u>	<u>116</u> <u>(6%)</u>	<u>2,567</u>	<u>9,452</u>	<u>High</u> <u>Resource</u>	<u>\$135,863</u>	<u>5.9%</u>	<u>8.2%</u>	<u>15.9</u>	<u>45.8</u>	<u>No</u>
<u>5125.05</u>	<u>211</u> <u>(10%)</u>	<u>2,058</u>	<u>8,373</u>	<u>Moderate</u> <u>Resource</u>	<u>\$77,481</u>	<u>8.3%</u>	<u>16.2%</u>	<u>32.7</u>	<u>75.5</u>	<u>No</u>
<u>5125.06</u>	<u>156</u> <u>(8%)</u>	<u>1,779</u>	<u>7,443</u>	<u>Moderate</u> <u>Resource</u>	<u>\$54,770</u>	<u>11.3%</u>	<u>26.1%</u>	<u>56.3</u>	<u>83.0</u>	<u>No</u>
<u>5125.08</u>	<u>19</u> <u>(1%)</u>	<u>2,644</u>	<u>8,007</u>	<u>Moderate</u> <u>Resource</u>	<u>\$74,032</u>	<u>11.2%</u>	<u>15.6%</u>	<u>52.1</u>	<u>65.7</u>	<u>No</u>
<u>5125.09</u>	<u>216</u> <u>(11%)</u>	<u>1,239</u>	<u>5,244</u>	<u>Moderate</u> <u>Resource</u>	<u>\$79,306</u>	<u>6.5%</u>	<u>5.8%</u>	<u>38.8</u>	<u>70.2</u>	<u>No</u>
<u>5125.1</u>	<u>846</u> <u>(41%)</u>	<u>2,270</u>	<u>7,352</u>	<u>Moderate</u> <u>Resource</u>	<u>\$85,960</u>	<u>10.0%</u>	<u>25.4%</u>	<u>29.4</u>	<u>61.9</u>	<u>No</u>
<u>5126.03</u>	<u>376</u> <u>(18%)</u>	<u>971</u>	<u>4,563</u>	<u>Low</u> <u>Resource</u>	<u>\$37,301</u>	<u>9.5%</u>	<u>30.9%</u>	<u>90.8</u>	<u>91.2</u>	<u>Yes</u>
<u>5126.04</u>	<u>112</u> <u>(5%)</u>	<u>1,161</u>	<u>4,854</u>	<u>Low</u> <u>Resource</u>	<u>\$35,297</u>	<u>6.0%</u>	<u>23.6%</u>	<u>75.8</u>	<u>91.2</u>	<u>Yes</u>
Census Tracts Mostly Outside of Gilroy										
<u>5126.02</u>	<u>0</u>	<u>805</u>	<u>2,377</u>	<u>Low</u> <u>Resource</u>	<u>\$64,375</u>	<u>13.0%</u>	<u>37.7%</u>	<u>78.0</u>	<u>58.1</u>	<u>No</u>

Affirmatively Furthering Fair Housing

<u>Census Tract</u>	<u>RHNA Units¹</u> <u>(% Total)</u>	<u>Total Household</u> <u>s²</u>	<u>Total Population</u> <u>¹²³</u>	<u>TCAC Composite</u> <u>Category</u>	<u>Median Household</u> <u>Income</u>	<u>% with a Disability</u>	<u>% of Children in</u> <u>FHH</u>	<u>CalEnviroScreen</u> <u>Percentile</u>	<u>% Non-White</u>	<u>R/ECAP Present</u>
<u>5124.01</u>	<u>0</u>	<u>1,427</u>	<u>4,782</u>	<u>Moderate Resource</u>	<u>\$107,599</u>	<u>13.1%</u>	<u>17.2%</u>	<u>42.4</u>	<u>55.2</u>	<u>No</u>
<u>5122</u>	<u>1</u>	<u>1,612</u>	<u>3,895</u>	<u>High Resource</u>	<u>\$124,130</u>	<u>6.1%</u>	<u>12.8%</u>	<u>13.4</u>	<u>33.8</u>	<u>No</u>

Note:

1) Includes opportunity sites and pending projects.

2) Includes all households in the tract, including those not within the bounds of the City of Gilroy.

Fair Housing Enforcement and Outreach Capacity

Fair housing enforcement and outreach capacity refers to the ability of a locality and fair housing entities to disseminate information related to fair housing laws and rights and provide outreach and education to community members. Enforcement and outreach capacity also includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing.

Project Sentinel provides fair housing counseling services for the City of Gilroy. The City publishes the availability of both tenant/landlord counseling and fair housing services via its website. In the fiscal years 2022-2023 and 2023-2024, the City of Gilroy allocated \$80,000 in total funds to two Project Sentinel programs: Fair Housing and Landlord/Tenant Counseling and Dispute Resolution. The funds are provided through the Permanent Local Housing Allocation (PLHA) fund, which is administered by Santa Clara County's Office of Supportive Housing.

Project Sentinel is a nonprofit organization that provides a variety of fair housing resources and services in Northern California, including resources for tenants, property managers, and service providers, dispute resolution, and housing counseling. Annually, Project Sentinel processes over 10,000 initial contacts; handles over 400 housing discrimination complaints and over 1,700 landlord tenant and community dispute cases; counsels over 750 homeowners; and provides monthly workshops on housing topics.

Local Data

On March 8, 2023, staff from Project Sentinel provided information for the Housing Element update related to fair housing activity in the City of Gilroy. Project Sentinel has received 256 calls on behalf of the City of Gilroy since 2017 and has managed 139 cases on behalf of the City since 2015. Over the approximately 7- to 8-year period, 32 cases cited different terms/conditions, 15 cited eviction, 46 cited reasonable accommodation or modifications/accessibility, 16 cited coercion or intimidation/harassment, and 20 cited a refusal to rent. The remaining cases cited either repairs not being completed, a hostile environment, or being falsely denied. As shown in Table 48, over 60 percent of the cases since 2015 (86 cases) were filed by residents in the extremely low income (0 to 30% AMI) category. Residents from all age categories have filed cases, with no strong patterns identified (Table 49). Of the cases, seven (7) were filed by Black households, 109 were submitted by White households, two (2) were submitted by Native American households, and six (6) were submitted by other or multiple racial identifying households (Table 50).

Table 48: Dispute Cases by Income Category, 2015-2022

Income Category of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
0-30%	<u>5</u>	<u>14</u>	<u>18</u>	<u>8</u>	<u>17</u>	<u>11</u>	<u>6</u>	<u>7</u>
31-50%	<u>3</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>3</u>	-	<u>2</u>	-
51-80%	<u>10</u>	<u>1</u>	<u>1</u>	-	<u>2</u>	-	-	<u>2</u>
80% +	<u>3</u>	<u>1</u>	<u>4</u>	-	<u>1</u>	-	-	<u>1</u>
N/A	-	-	-	-	<u>3</u>	<u>10</u>	<u>1</u>	-
Totals	<u>21</u>	<u>17</u>	<u>24</u>	<u>11</u>	<u>26</u>	<u>21</u>	<u>9</u>	<u>10</u>

Source: Project Sentinel, 2023.

Table 49: Dispute Cases by Age, 2015-2022

Age of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
≤30	<u>3</u>	<u>1</u>	<u>5</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>
30-40	<u>9</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>6</u>	<u>1</u>	<u>2</u>
41-50	<u>4</u>	<u>3</u>	<u>5</u>	<u>1</u>	<u>4</u>	-	<u>1</u>	<u>4</u>
51-60	<u>2</u>	<u>1</u>	<u>4</u>	-	<u>2</u>	<u>1</u>	<u>3</u>	<u>3</u>
61-70	-	<u>4</u>	<u>3</u>	<u>4</u>	<u>7</u>	<u>1</u>	<u>1</u>	-
71-80	<u>1</u>	<u>1</u>	<u>2</u>	-	<u>2</u>	-	<u>1</u>	-
>80	<u>1</u>	<u>2</u>	<u>1</u>	-	-	-	-	-
N/A	<u>1</u>	-	-	-	<u>6</u>	<u>11</u>	<u>1</u>	-
Totals	<u>21</u>	<u>17</u>	<u>24</u>	<u>11</u>	<u>26</u>	<u>21</u>	<u>9</u>	<u>10</u>

Source: Project Sentinel, 2023.

Table 50: Dispute Cases by Race, 2015- 2022

Race of Complainant	2015	2016	2017	2018	2019	2020	2021	2022
White	<u>21</u>	<u>15</u>	<u>19</u>	<u>10</u>	<u>19</u>	<u>9</u>	<u>6</u>	<u>10</u>
Black	<u>-</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Native American	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other/Multi-Racial	<u>-</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>-</u>
N/A	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>1</u>	<u>-</u>
Totals	<u>21</u>	<u>17</u>	<u>24</u>	<u>11</u>	<u>23</u>	<u>21</u>	<u>9</u>	<u>10</u>

Source: Project Sentinel, 2023.

The City is including Program F - 1 to coordinate with Project Sentinel to conduct a workshop to inform residents of income protection and state rent control laws. Additionally, under Program F - 1, the City will continue to coordinate outreach efforts to inform landlords and tenants of recent change to state law. The City is including Program F - 2 to commit to work with the Fair Housing Provider to track number of households assisted in Gilroy annually. Under Program G - 8, the City will develop a Housing Help Center webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid. This webpage will consolidate existing information on the City's website with additional information provided by local service providers to best serve the needs of the Gilroy community.

The Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity (FHEO) enforces fair housing by investigating complaints of housing discrimination. Over the 7- to 8- period from 2013-2021, there were 15 fair housing inquiries filed with FHEO on behalf of the City of Gilroy. Three (3) inquiries referenced disability concerns, one (1) inquired on race, and the remaining 11 were found to have no identity-based inquiries. Of these inquiries, nine (9) were found to have no valid case of fair housing discrimination, five (5) failed to respond or continue further with the inquiry process, and one (1) resulted in other disposition. There are no outstanding lawsuits or complaints regarding fair housing in the City.

Integration and Segregation

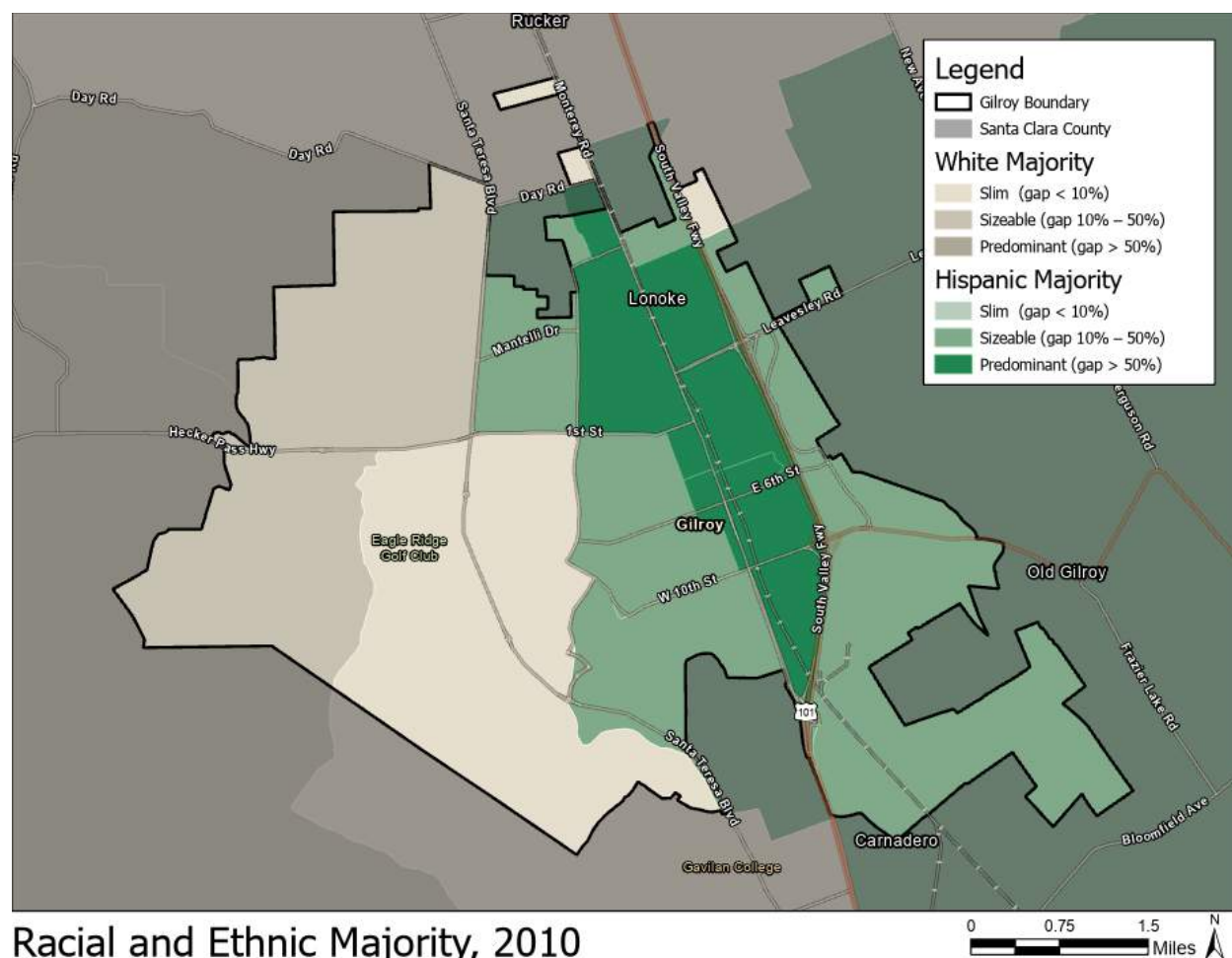
Race and Ethnicity

Figure 8 shows the racial and ethnic majority by census tract in the City of Gilroy. As illustrated, the western half of the City has a slim (<10%) to sizeable (10%–50%) White majority, while the eastern half of the City has areas with sizeable (10%–50%) to predominant (> 50%) Hispanic majorities. The tracts with Hispanic majorities have larger low- to moderate-income populations and a higher quantity of female-headed households than the majority White

tracts. The City is including a program to increase Spanish language engagement in order to target outreach to the Hispanic population (Program G - 7). The area with the predominant Hispanic majority also contains a R/ECAP. HUD defines R/ECAP as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Regionally, there is a common correlation between wealth and race, which may help explain the racial/income concentrations in the City. The City has a significantly larger Hispanic population (57.6 percent) in comparison to the County (25.1 percent). Gilroy has a much smaller Asian/Asian Pacific Islander (API) population (9 percent) compared to the County (37 percent), and a slightly smaller non-Hispanic White population (28 percent) compared to the County (32 percent).

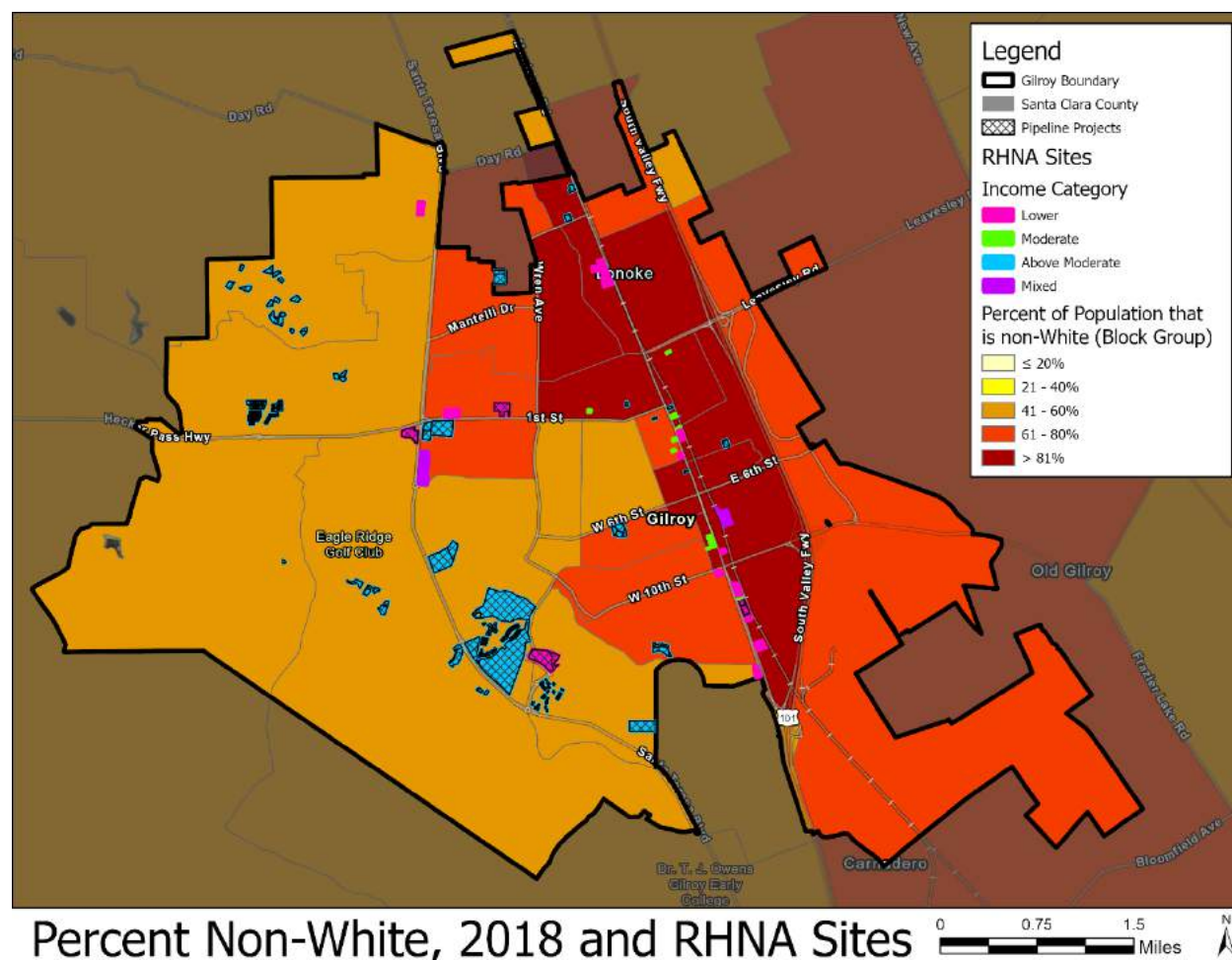
Figure 8: Racial and Ethnic Majority, 2010



As shown in Figure 9, there are no block groups in the City with a non-White population less than 41 percent. The area with the highest non-White percentage is also the area with the

R/ECAP. In the City, newer developed single-family housing is primarily available in the west, while the multifamily, more affordable housing opportunities are primarily available in the east of the City, where there is a larger non-White population. As of 2019, 72 percent of the City was non-White while 68 percent of the County was non-White, indicating that the overall distribution of the non-White population is similar between the City and the region as a whole.

Figure 9: Percentage of the Population that is Non-White, 2018



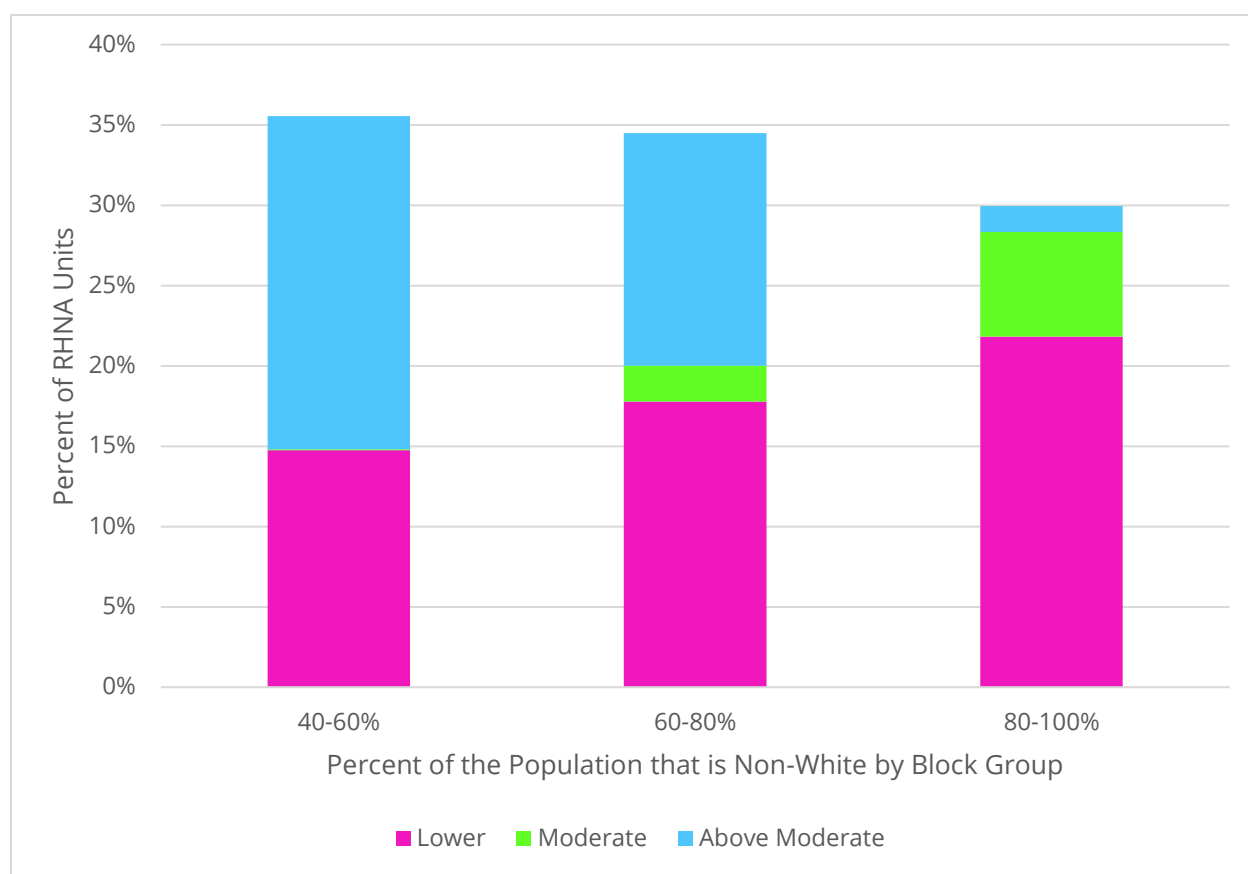
Source: HCD AFFH Data Viewer

Figure 10 compares the RHNA units with the percentage of the population that is non-White. While many sites are in the downtown area, where there is a large non-White population, this area is where the City is targeting revitalization, and placed-based improvements, which includes plans for significant investment, further economic development, and a future high speed rail station.

The City is including Program F - 5, Displacement Prevention Policy, to ensure that existing residents are protected from displacement. Program F - 2 includes multilingual tenant counseling through a partnership with Project Sentinel. The City is also including programs to encourage development opportunities throughout the City, including Program G - 3 for ADU

outreach focused in the western portion of the City, Program A - 11 for adoption of an inclusionary housing policy, and Program A - 10 allowing triplexes and fourplexes that meet objective design standards to be approved ministerially on corner lots in the R1 and R2 zones. SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9 by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. Program A - 10 will also encourage the development of middle-income housing throughout the City, including high-resource areas primarily comprised of detached single-family residences. The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Figure 10: Percent non-White Comparison of RHNA Units



Dissimilarity Index – Race and Ethnicity

Segregation is defined by the census as the spatial distributions of different groups among units in a metropolitan area.¹⁸ Segregation can be quantified by using the dissimilarity index. The dissimilarity index measures the distribution of two groups in a city and assigns a score

¹⁸ Measures of Residential Segregation. <https://www.census.gov/topics/housing/housing-patterns/guidance/appendix-b.html>

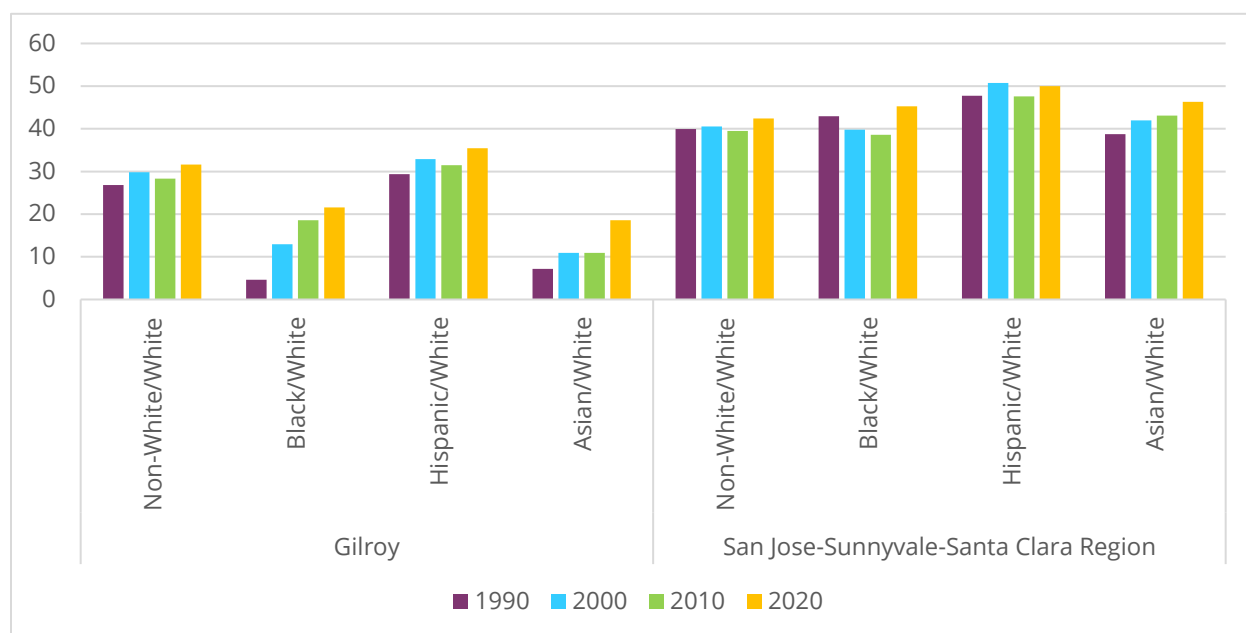
between 1 and 100. The level of segregation is determined by assessing what percentage of residents of a census block would have to move for each block to have the exact same population of said group. A score of zero (0) reflects a fully integrated environment; a score of 100 (or 100%) reflects full segregation. Therefore, a higher dissimilarity index indicates higher concentrations of the indicated ethnic groups in areas of the City, when compared to the White population distribution. A lower dissimilarity index implies higher integration, and a more even distribution of each ethnicity when compared to the White population. The formula for this calculation is provided by the HCD AFFH Guidance Document.

The categories for the dissimilarity index on a scale of 1-100 are as follows:

- <30: Low Segregation
- 30 – 60: Moderate Segregation
- >60: High Segregation

Figure 11 provides the dissimilarity index values in Gilroy, indicating the level of segregation between White residents and residents who are non-White, Black, Hispanic, or Asian. In 2020, there was moderate segregation between the Hispanic and White populations and low segregation between the Black and White populations, and between the Asian and White populations. A moderate dissimilarity index of 35.41 in the figure below means that 35.41 percent of Gilroy's Hispanic or White residents would need to move to a different census block to create balanced integration between Hispanic and White residents. Segregation at the City level is much lower than Santa Clara County as a whole.

Figure 11: Dissimilarity Index for Race



Source: HUD AFFH Data tool.

Income

The dissimilarity index can also be used to calculate income segregation, using the same scale as above. The segregation between below-moderate and above-moderate income groups is moderate. Regionally in the Bay Area, segregation is also moderate.

Table 51: Dissimilarity Index for Income

	2010		2015	
	Below 80% AMI / Above 80% AMI	Below 50% AMI / Above 120% AMI Dissimilarity	Below 80% AMI / Above 80% AMI Dissimilarity	Below 50% AMI / Above 120% AMI Dissimilarity
Gilroy	31.5	46.2	41.6	53.3
Bay Area	28.7	36.6	27.4	35.1

Source: Association of Bay Area Governments AFFH Data Report.

As shown in Figure 12, the area with a large low-to-moderate income population is also the area with a predominant Hispanic majority, and largest non-White population. This area is also where the R/ECAP is located. There is a large low- to moderate-income population in the area with more multifamily housing. Income often correlates with housing type—i.e., large single-family areas generally have higher incomes. Compared to the region, Gilroy has a lower median income and a higher income disparity.

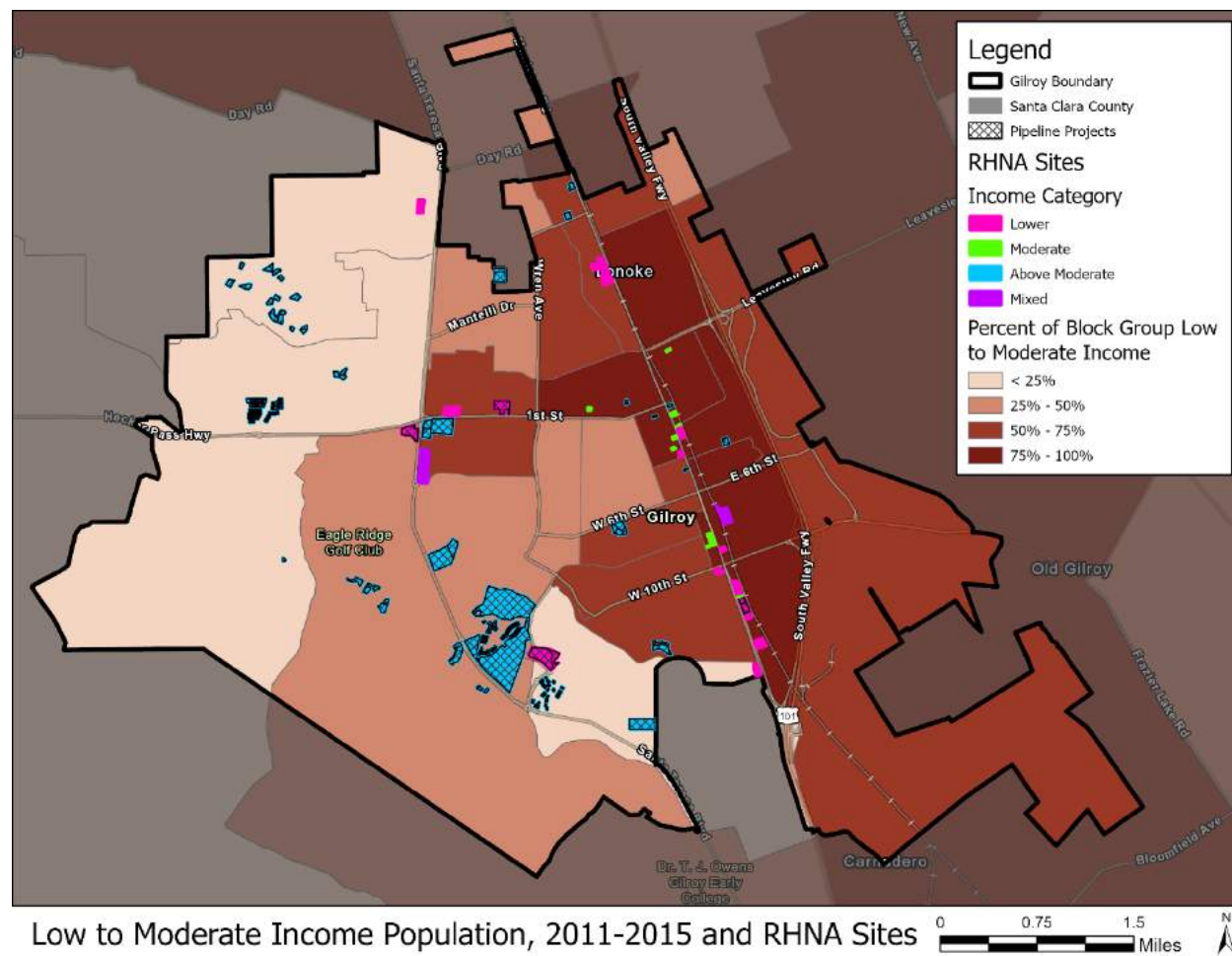
While a large percentage of the RHNA opportunity sites are in the area with the highest concentration of the low- to moderate-income population, this area also falls within downtown Gilroy, which provides residents with close access to transit, resources, and employment opportunities. The anticipated development of the future high-speed rail station is also expected to increase economic investment in the downtown. The Housing Element includes programs to help ensure redevelopment of nonresidential sites downtown and to minimize displacement. Programs include the creation of an inclusionary housing ordinance (Program A - 11), [allowing 100% residential uses in the Downtown Expansion District \(Program E - 12\)](#), multilingual tenant support in partnership with Project Sentinel (Program F - 2), and a displacement prevention policy (Program F - 5).

The City also has an affordable housing portfolio available to lower-income households, including ownership and rental units. The below market-rate units are administered by HouseKeys through Programs C - 1, C - 4, and C - 5, which include monitoring of units at risk of converting to market rate and resale/rent control on BMR units. There are over 400 units in the BMR program.

The City is including programs to encourage development opportunities in the western portion of the City that are not captured by the sites inventory. Programs include ADU tracking and monitoring (Program A - 6), adoption of an inclusionary housing policy (Program A - 11), allowing triplexes and fourplexes to be approved ministerially on corner lots in R1 and R2 zones (Program A - 10), and an incentives beyond density bonus state law policy (Program

A - 12). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8), and a program to replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County, and increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet (Program A - 15).

Figure 12: Low to Moderate Income Population and RHNA Sites, 2011-2015



Source: HCD AFFH Data Viewer

Figure 13 shows the percentage of RHNA units compared to the percent of each block group that is in the low- to moderate-income category. The lower- and moderate-income RHNA sites are proposed in the areas with a larger low- to moderate-income population to provide new housing opportunities without displacing current residents from their neighborhoods.

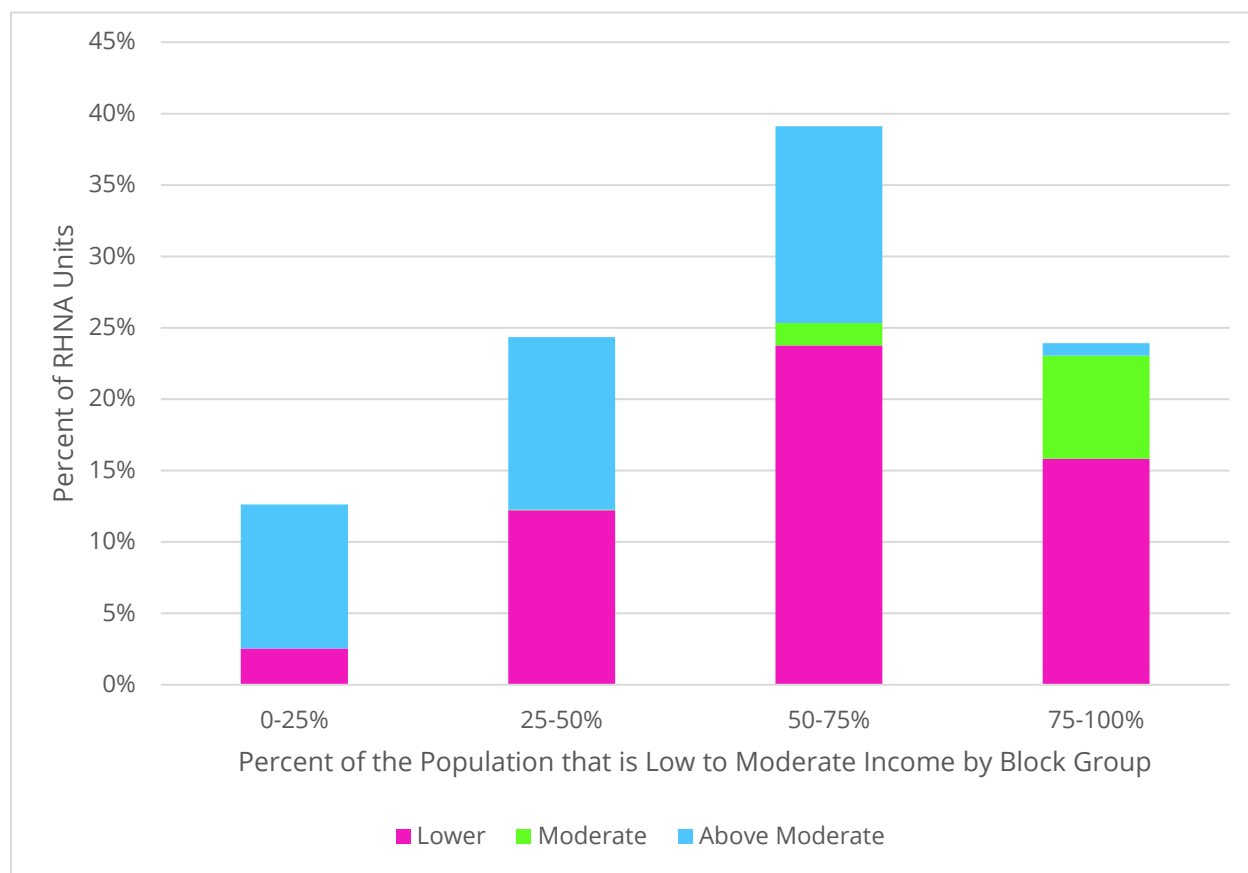
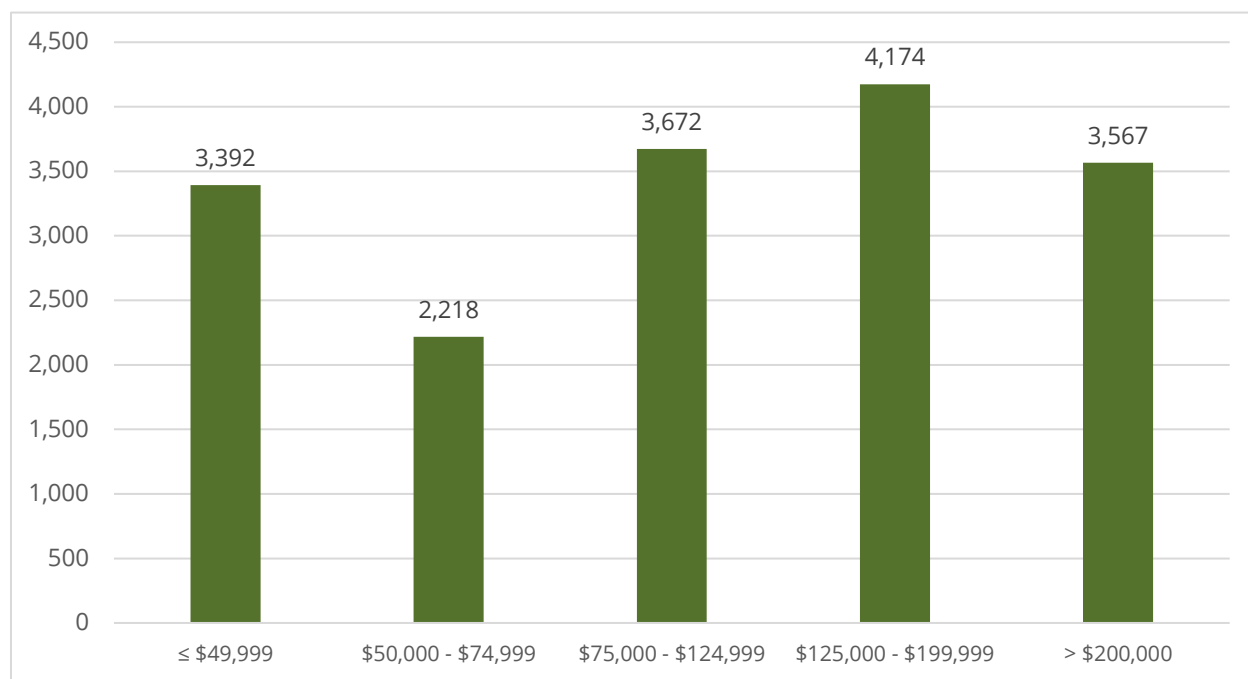
Figure 13: Low to Moderate Income Population Comparison of RHNA Units

Figure 14 shows the number of households with income levels similar to the income ranges provided by the HCD Income Limits. The moderate-income category has the largest percentage of the population, while the very low-income category has the smallest population. The remaining income categories have relatively comparable population sizes without extreme discrepancies.

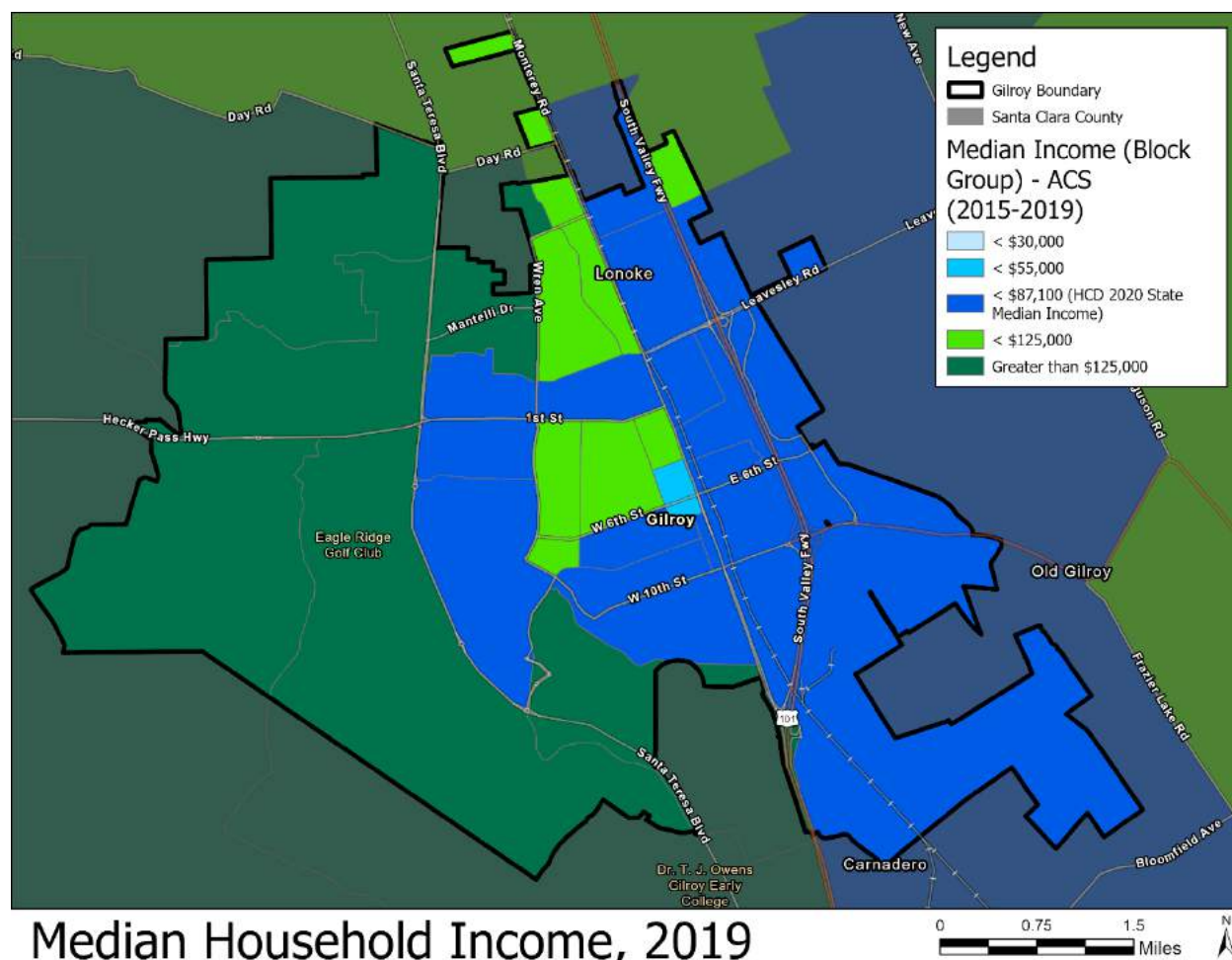
Figure 14: Households per Income Level, 2021

Source: 2021 ACS Table B19001

According to US Census 2015-2019 American Community Survey estimates, the median household income for Gilroy was \$101,616. This is about 18 percent lower than the Santa Clara County median household income of \$124,055.

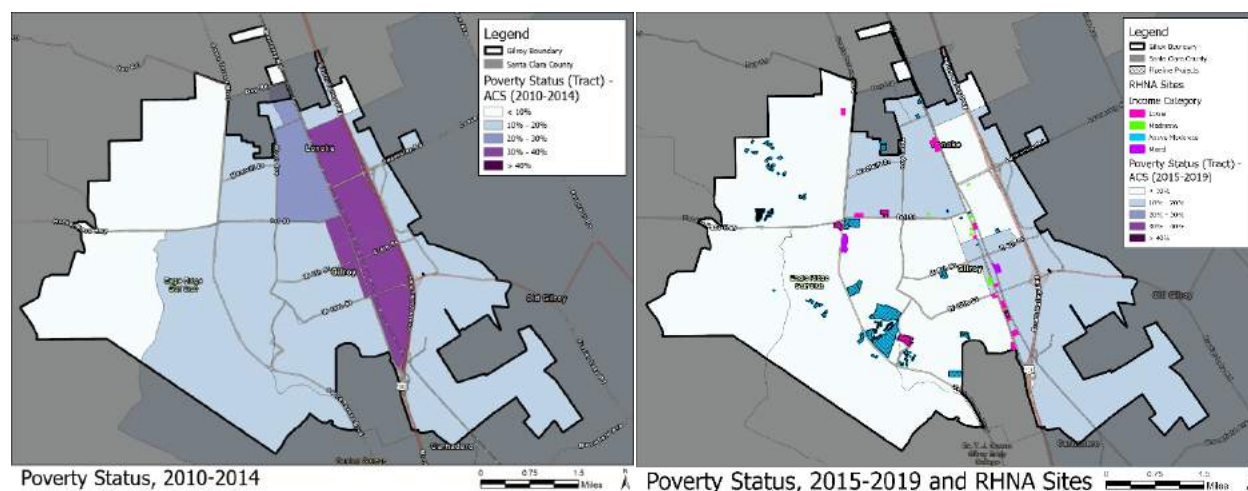
Figure 15 shows median household income by census block group. In Gilroy, the highest median household incomes are located in the western portion of the City, where there is more single-family zoning and open space. The lowest median incomes are in the central and eastern portions of the City, including downtown, which is the oldest area of the City.

The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Additionally, the block groups in the western region of Gilroy have the majority of their acreage outside of the City of Gilroy, making it likely that the small portion of tracts within the City are not primarily responsible for overall trends. Newer single-family development primarily occurs in the west and are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer western areas. The data collected through Program A - 6 (ADU Tracking and Monitoring) will help inform the City's efforts in Program A - 8 (Incentives for Affordable ADUs), to promote housing mobility and increased housing opportunities, including ADU production, in the western portion of the City.

Figure 15: Median Household Income, 2019

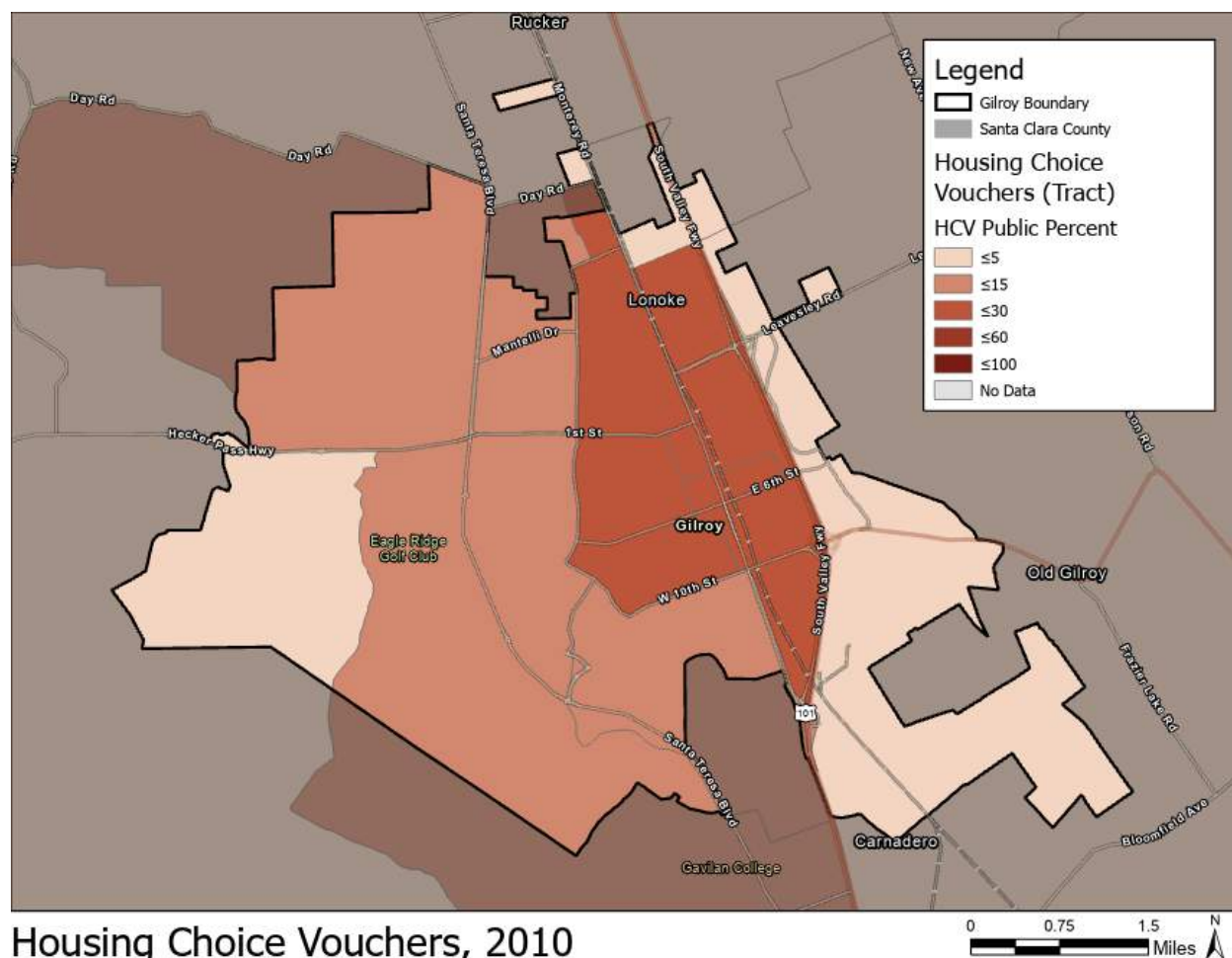
Source: [HCD AFFH Data Viewer](#)

Figure 16 shows the change in the population under the federal poverty line by census tract from 2010–2014 to 2015–2019. Poverty is defined by incomes falling below the annually defined thresholds for family size by the Census. Poverty levels in the eastern area, where the downtown R/ECAP is located, decreased significantly over this period. From 2010 to 2014, 30–40 percent of households in the eastern downtown R/ECAP area were living in poverty. Between 2015 and 2019, the percentage decreased significantly, with less than 20 percent, and in some cases less than 10 percent, of residents in this area living in poverty. Similarly, the number of impoverished residents in southern Gilroy decreased between 2010 and 2019, with less than 10 percent of these residents currently living in poverty. The 2015–2019 map shows lower levels of poverty Citywide and increased geographic parity. The 2015–2019 map also shows that pipeline projects and proposed RHNA Opportunity sites are spread throughout the City with more pipeline projects in the west and proposed RHNA sites in the east. It is the intent of the City's placed based improvements and revitalization efforts in the downtown R/ECAP area to further minimize poverty by providing safe affordable housing choices to residents living in this area.

Figure 16: Poverty Status, 2010-2014 and 2015-2019

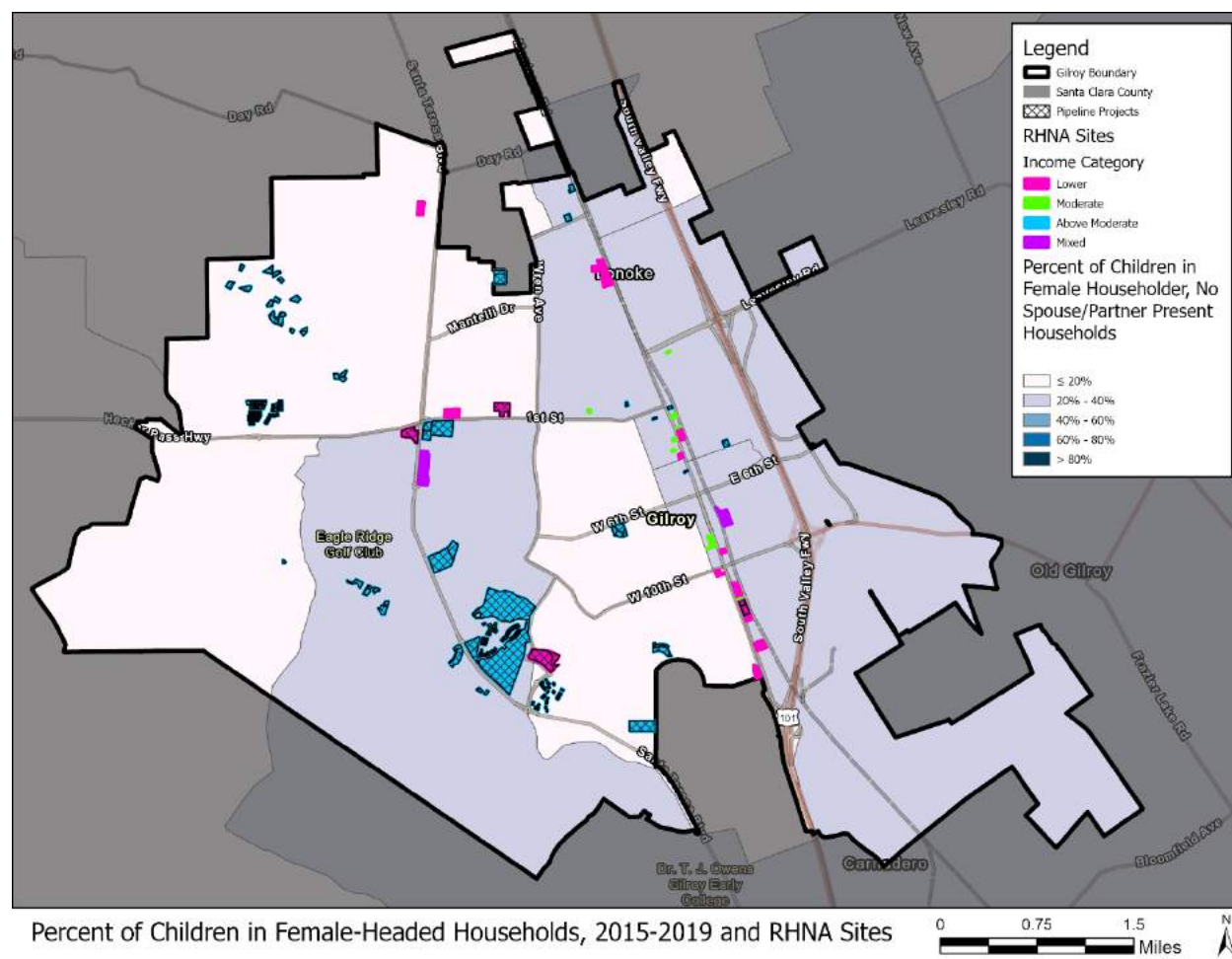
Source: HCD AFFH Data Viewer

Figure 17 displays the distribution of housing choice vouchers in the City. The Santa Clara County Housing Authority (SCCHA) is the regional Public Housing Authority for the City of Gilroy and administers the Housing Choice Voucher (HCV) program (also known as Section 8). The HCV program is a 100 percent federally funded rental subsidy for low-income households living in privately owned rental units. The City does not own any public housing; however, the SCCHA owns and manages affordable housing units in Gilroy and throughout the County of Santa Clara. Santa Clara County owns the Gateway Senior Apartments, a 75-unit affordable senior housing complex with approximately half of the units reserved for special needs seniors. Many of the seniors in this housing complex use housing choice vouchers. There is little housing choice voucher use in the west side of the City. The majority of housing choice voucher usage is in the R/ECAP, where there is more multifamily housing and rental apartments.

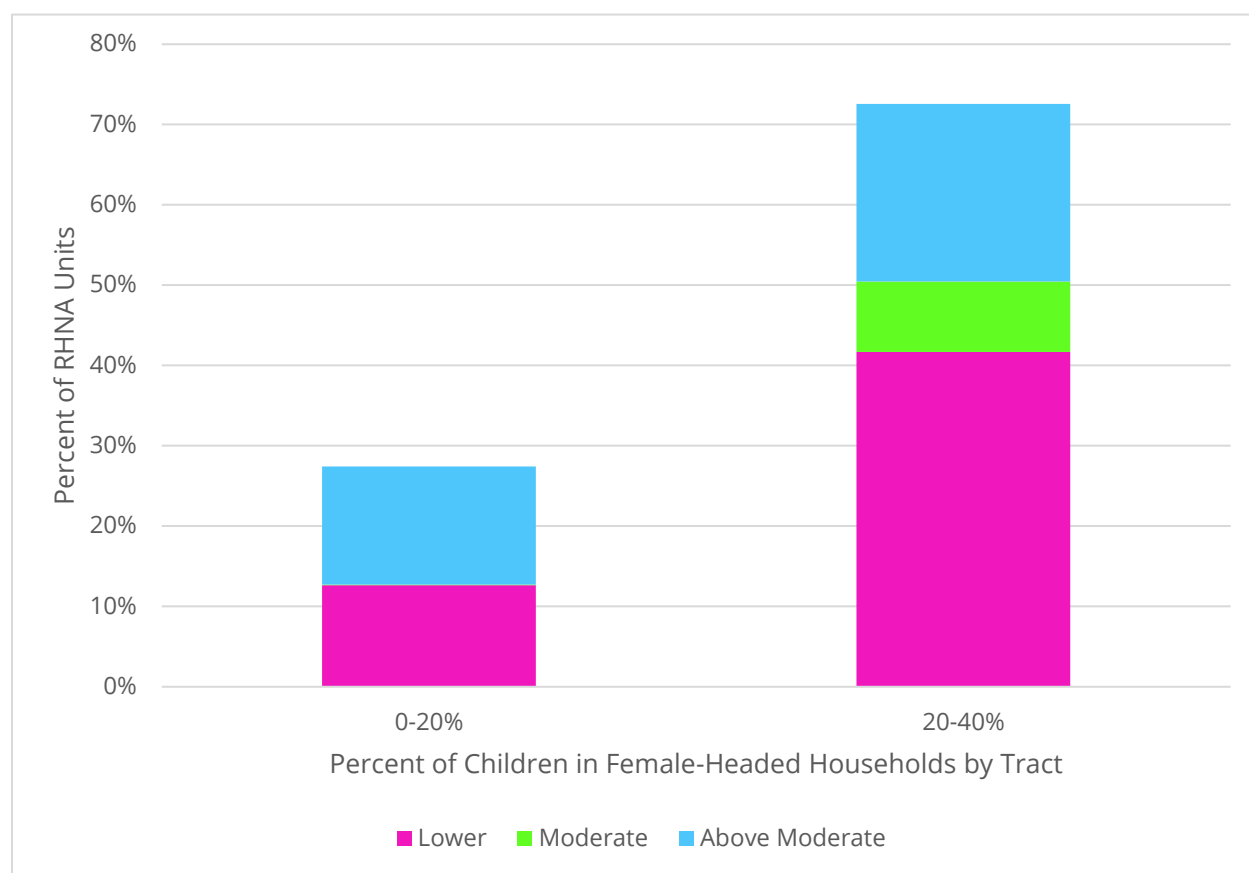
Figure 17: Housing Choice Vouchers

Familial Status

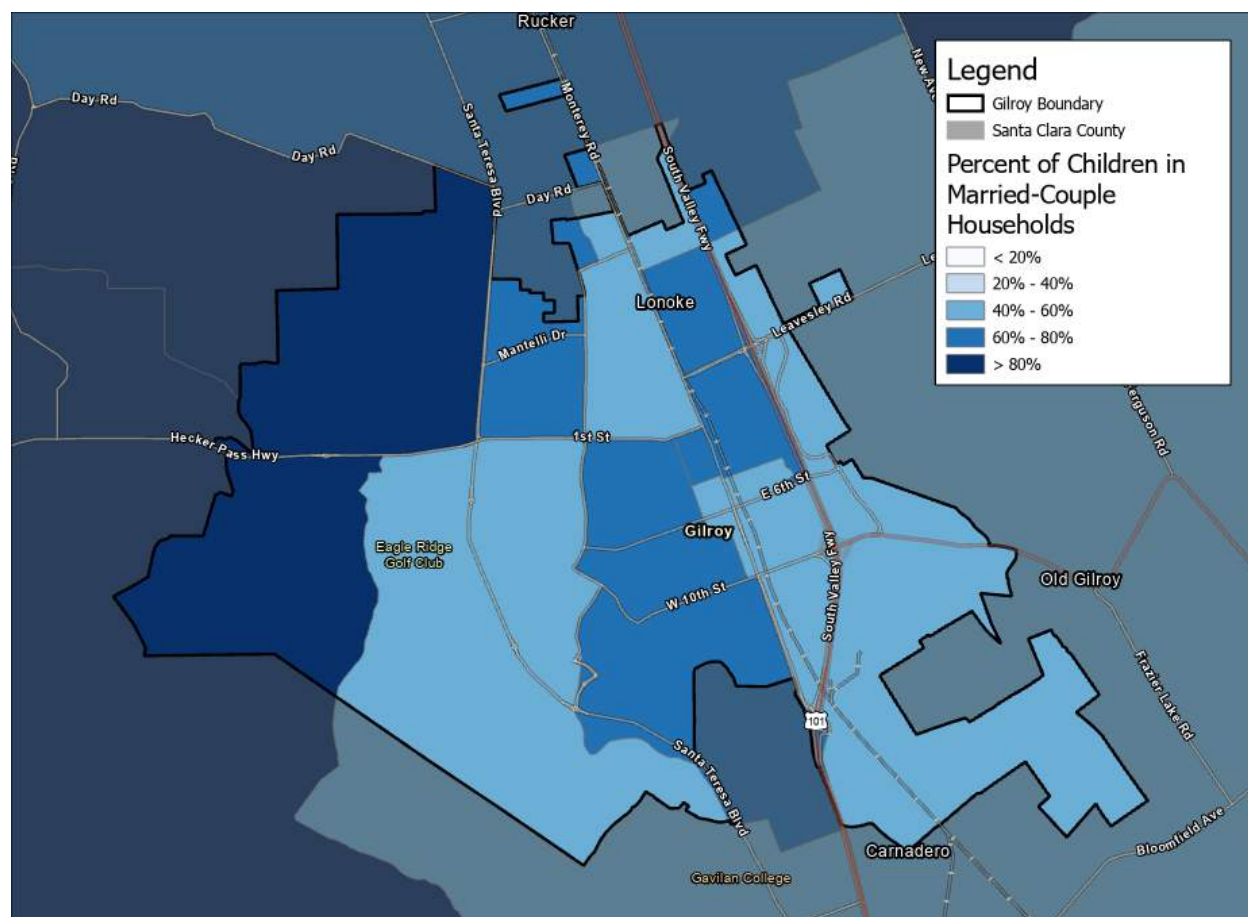
Figure 18 shows the percentage of children that are living in female-headed households with no spouse by census tract. It also shows pipeline projects and proposed RHNA Opportunity sites. In 2019, 2,616 households, or 16.2 percent of the total households in Gilroy, were female-headed households, which is about 6 percent higher than in the County, at 10 percent. There is no tract with a significant concentration of children in female-headed households. As shown in Figure 19, RHNA pipeline and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status. For example, ~~27.4~~ 31.4 percent of the RHNA units are located in tracts where 0-20% of children are living in female-headed households with no spouse.

Figure 18: Children in Female-Headed Households and RHNA Sites

Source: HCD AFFH Data Viewer

Figure 19: Female Headed Households Comparison of RHNA Units

As shown in Figure 20, areas with high concentrations of children in married-couple households are also areas with large numbers of single-family households. In Gilroy, 30.5 percent of households are married-couple households with children present, compared to 26.6 percent countywide. RHNA pipeline and opportunity sites are distributed throughout the City and are not expected to impact fair housing concerns based on familial status.

Figure 20: Children in Married-Couple Households

Children in Married Couple Households, 2015-2019

Source: HCD AFFH Data Viewer

Persons with Disabilities

The US Census Bureau provides information on the number of persons with disabilities of varying types and degrees. According to the US Census Bureau, a person is considered to have a disability if they have difficulty performing certain functions or difficulty with certain social roles. Affordability of appropriate housing and access, both within the home and to/from the home site, are the primary challenges for persons with disabilities. Access often requires specially designed dwelling units. Additionally, housing locations near public facilities and public transit are important for these special needs group. The 2019 American Community Survey estimates that 8 percent of Gilroy, 8 percent of Santa Clara County, and 10 percent of the Bay Area region have a disability.¹⁹

The types of disabilities included in the Census are:

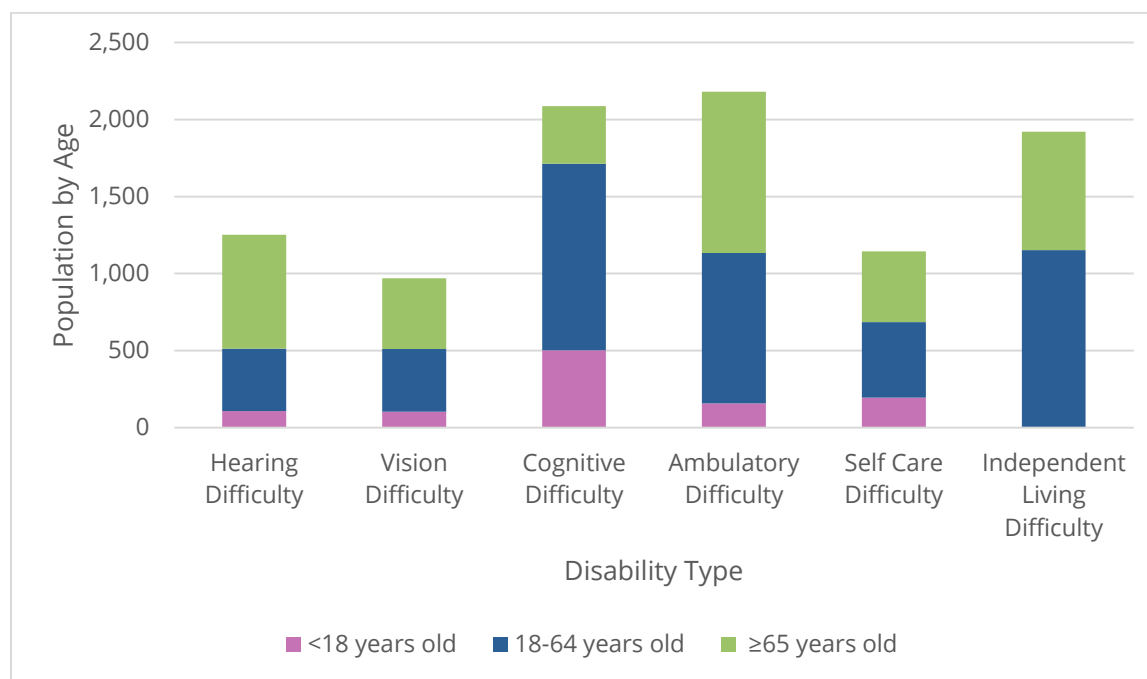
¹⁹ US Census Bureau, American Community Survey 5-year Data (2015–2019), Table B18101

- Hearing difficulty: deaf or has serious difficulty hearing
- Vision difficulty: blind or has serious difficulty seeing even with glasses
- Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions
- Ambulatory difficulty: has serious difficulty walking or climbing stairs
- Self-care difficulty: has difficulty dressing or bathing
- Independent living difficulty: has difficulty doing errands alone, such as visiting a doctor's office or shopping

Figure 21 shows an estimate of the number of Gilroy residents with disabilities by type of disability and age group. The most prevalent types of disability are cognitive, ambulatory, and independent living difficulty. Note that individuals may have more than one type of disability.

Ambulatory issues are the highest reported disability countywide. A large population with walking difficulty creates a need for single-story housing, elevators, transit access, wheelchair access, larger homes for live-in help, and proximity to health facilities.

Figure 21: Disability Characteristics, Gilroy, 2019



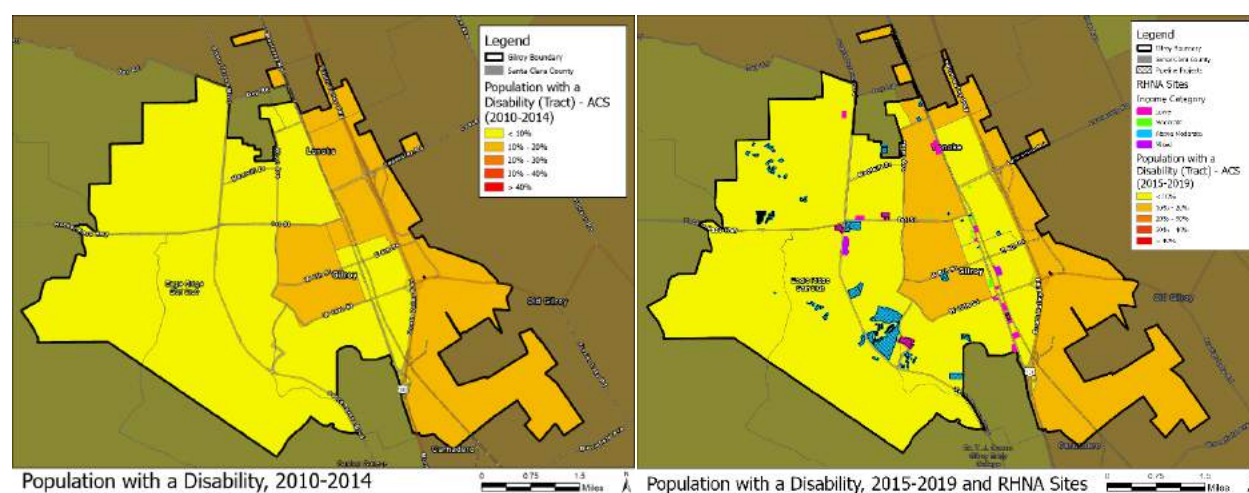
Source: 2019 ACS B18108.

Figure 22 shows that the disabled population is relatively evenly distributed throughout Gilroy. There were no significant changes in location or concentration of those with a disability from 2010–2014 to 2015–2019. There is no area of the City with an extreme concentration of persons with disabilities. The area in the east of the City with a larger low- to moderate-income population and larger non-White population does have a slightly larger disabled population, though the difference is minimal. Furthermore, the west tracts have more open space and

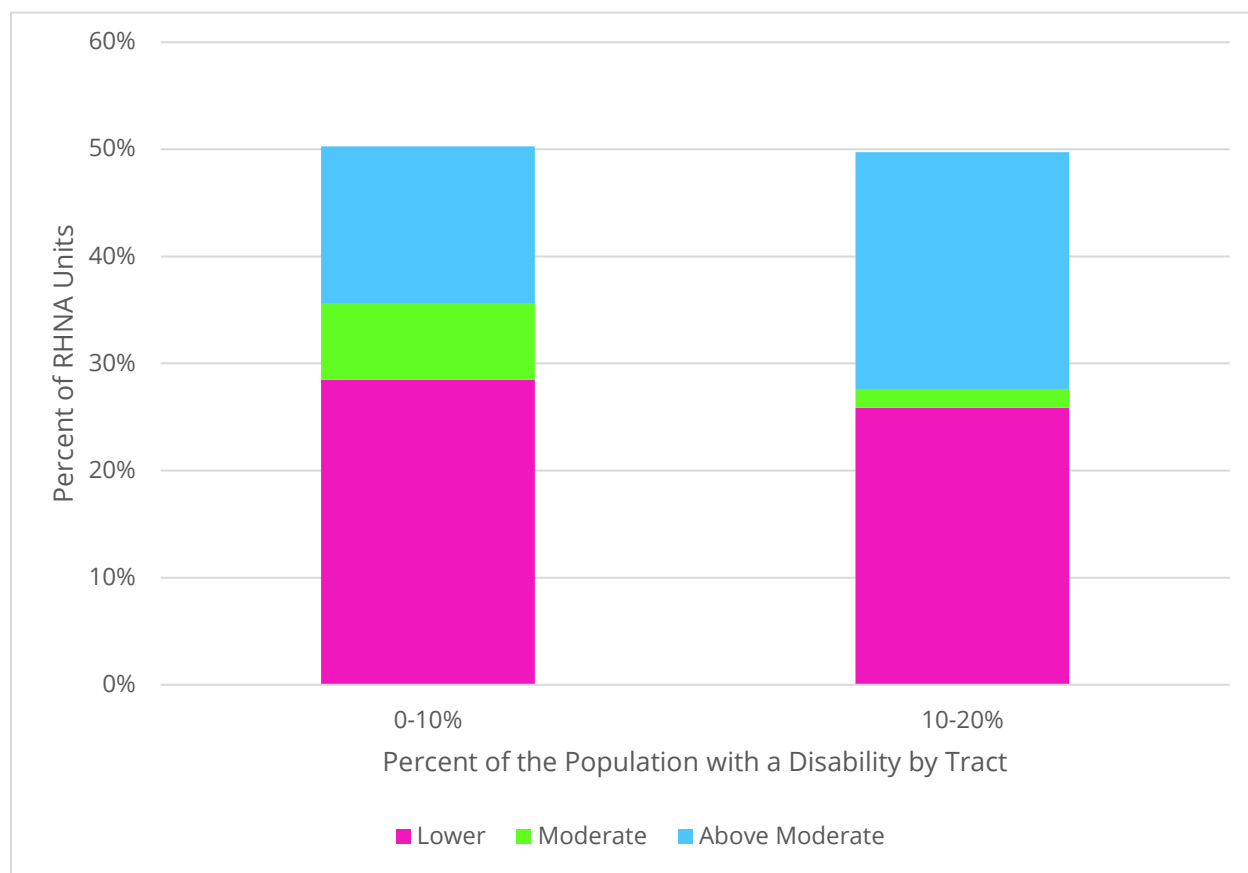
agriculture, so the population is generally more concentrated in the east, which may skew data perception. A larger or more concentrated disabled population may indicate a greater need for access to health care. However, health care facilities are also more concentrated in the areas to the east.

Figure 22 also shows pipeline and proposed RHNA Opportunity sites in the context of persons with a disability. As shown in Figure 23, the RHNA sites are relatively evenly distributed between areas with higher and lower concentrations of the disabled population. For example, 50.3 percent of the RHNA units are located in the area where 0-10% of the population has a disability. As such, the sites are not expected to cause fair housing concerns as they relate to residents with a disability.

Figure 22: Population with a Disability, 2010-2014 and 2015-2019



Source: HCD AFFH Data Viewer

Figure 23: Population with a Disability Comparison of RHNA Units**Local Data**

On January 24, 2023, in collaboration with Housing Choices, the City held a virtual meeting with intellectually and developmentally disabled (I/DD) stakeholders (primarily parents of I/DD children and I/DD adults), with representatives from Housing Choices and the San Andreas Regional Center in attendance.

I/DD participants expressed a need for extremely low-income housing since I/DD individuals generally rely on social security income. The City is including Programs A - 6, A - 7, and A - 8 to promote the construction of and incentivize the affordability of ADUs. Affordable ADUs provide I/DD individuals and their caregivers an alternative housing supply. Program A - 11 (inclusionary housing policy) and Program A - 12 (incentives beyond Density Bonus state law) will help facilitate the production of extremely low-income households and housing mobility for the I/DD community in higher opportunity areas. The City is also including Program E - 11 to prioritize funds to assist special needs households, such as persons with disabilities.

I/DD participants also expressed a need for project-based vouchers. The City is including Programs A - 8 and D - 3, which include providing financial assistance for homeowners who build ADUs with an affordability restriction or commitment to offering project-based vouchers.

The City will notify interested residents and provide technical assistance to residents who need help applying to the Santa Clara County Housing Authority (SCCHA) voucher program.

Another identified need was housing and services for both independent living and supportive living skills. For many in need of independent living assistance, ADUs may serve as a caregiver unit. The City is including Program A - 7 to develop an ADU program that includes pre-designed "model" plans for ADUs that meet zoning, building, and fire codes. This will decrease the cost of ADU construction for potential caregiver units. Additionally, per Program E - 10, the City will evaluate and revise its reasonable accommodation standards and procedures as they pertain to potential constraints to accommodating persons with disabilities.

Findings

Overall, the City of Gilroy has higher concentrations of non-White and low- to moderate-income residents in the eastern portion of the City. This area saw a reduction over time in households under the federal poverty level, from 30-40 percent in 2010-2014 to either 10-20 percent or less than 10 percent in 2015-2019. This area is also where housing choice voucher use primarily occurs. Many of the proposed RHNA Opportunity sites are located in this area, which includes placed-based improvements in the Downtown Specific Plan area, including the future high-speed rail station. The selected RHNA sites are not anticipated to cause displacement or worsen patterns of segregation. The City is including programs to address needs in the downtown. These programs include an inclusionary housing policy (A - 11), multilingual tenant outreach in partnership with Project Sentinel (F - 1), a displacement prevention ordinance (F - 5), and place-based improvements in this area (F - 3).

Much of the western portion of Gilroy was developed relatively recently, leaving few vacant or underdeveloped sites that would likely be redeveloped during the 2023-2031 eight-year planning cycle. Furthermore, most of the remaining undeveloped parcels on the west side do not meet the size requirements for lower-income units. However, the City is including programs to encourage development opportunities in the western portion of the City, including an ADU tracking and monitoring (Program A - 6), adoption of an inclusionary housing policy (A - 11) to provide integrated and affordable housing, and allowing triplexes and fourplexes meeting objective design standards to be approved ministerially on corner lots in the R1 and R2 zones (Program A - 10). The City is also including a program to incentivize affordable ADU production, specifically focusing outreach to households in the western area of the City (Program A - 8).

Racially and Ethnically Concentrated Areas of Poverty and Affluence

R/ECAPs

HUD defines R/ECAPs as areas where the percentage of the population that is non-White is over 50 percent and the percentage of households with incomes below the poverty line is over 40 percent. Alternatively, a neighborhood can be a R/ECAP if it has a poverty rate that exceeds 40 percent or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

Gilroy has a R/ECAP in Census Tracts 5126.03 and 5126.04. The tracts are shown in Figure 25 along with the proposed RHNA sites by their income levels. The tracts include the Downtown Specific Plan area and the future high-speed rail station, which will increase access to transit options and employment centers for potential residents. Existing and proposed transit bring the opportunity for transit-oriented development to the R/ECAP area. The downtown area has excellent proximity to commercial and employment resources and opportunities. Additionally, placing new housing sites in this area allows lower-income residents to stay in their neighborhood and take advantage of new, high-quality housing with new amenities. The location of RHNA sites in the R/ECAP will not exacerbate or create any additional R/ECAPs.

Figure 26 compares the percent of RHNA units within the R/ECAP area by their income levels, illustrating that the majority of the RHNA units are located in non-R/ECAP areas. About 24.7 percent of units from pipeline projects and potential RHNA Opportunity sites are proposed in the R/ECAP. Less than 30 percent of lower-income units are in the R/ECAP. This area is also designated for higher density housing options in a smart growth pattern with access to transit, employment, and service uses and facilities. Furthermore, planning for more affordable units in this area will help minimize displacement of existing residents when older properties are redeveloped.

Less than 25 percent of the RHNA units are in the R/ECAP. The City encourages development and redevelopment in the older downtown R/ECAP, as this is an efficient area with transit, employment, and services. These tracts are also where participants of the focus groups and local housing service providers specifically advocated for new housing. The High Resource areas of Gilroy in the northwestern tracts are newly developed, single-family, steep and hilly, and less likely to develop or redevelop. This area is the most distant from transit, employment, and services and would likely not score well for affordable housing financing. Despite mapped disparities in opportunity indices, lower-income residents have greater access to job and transit opportunities in the lower resource area. Placed based improvements planned and currently financed for this area and other Programs, efforts, and opportunities described below will improve conditions rather than exacerbate existing conditions.

As a part of the 2040 General Plan update, the City adopted an Environmental Justice Element focused on the eastern portion of the City, including the R/ECAP. The Environmental Justice Element includes programs to improve the quality of life in the R/ECAP.

The two census tracts that make up the R/ECAP are also qualified Opportunity Zones as designated by the Tax Cuts and Jobs Act of 2017. Opportunity Zones are designated census tracts where new investments may be eligible for preferential tax treatment. The Opportunity Zones designator helps spur economic investment by providing tax incentives that defer or eliminate federal taxes through a temporary deferral, step-up in basis, or permanent exclusion. These census tracts are also qualified census tracts in the New Market Tax Credit program, which incentivizes community development and economic growth by using tax credits.

The City is including multiple programs to ensure that the sites in the R/ECAP improve conditions rather than exacerbate existing conditions. These include place-based

improvements (Program F - 3), a displacement prevention policy (Program F - 5), increased outreach in downtown areas (Program G - 4), and fair housing support through partnerships with Project Sentinel (Programs F - 1 and F - 2).

Place-based improvements in 2023 include the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.
- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities approved by the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

As shown in Figure 24, the City is using CDBG funding to improve the quality of life, infrastructure, neighborhood conditions, and ADA improvements throughout the City, including in the R/ECAP. Pavement rehabilitation is being targeted at:

- Hanna Street from Welburn Avenue to its northern terminus
- El Toro Drive from Hanna Street to La Coche Way
- Glenwood Drive from Welburn Avenue to El Cerrito Way
- La Paloma Way from Wren Avenue to Welburn Avenue

Additionally, curb ramps are being installed at the following street corners:

- La Paloma Way / Chiesa Drive
- Welburn Avenue/ Carmel Street
- El Cerrito Way / Glenwood Drive
- Welburn Avenue / Glenwood Drive

- El Toro Drive / Hanna Street
- El Toro Drive / La Coche Way
- Hanna Street / Welburn Avenue
- Hanna Street / Sherwood Drive
- Hanna Street / Arnold Drive

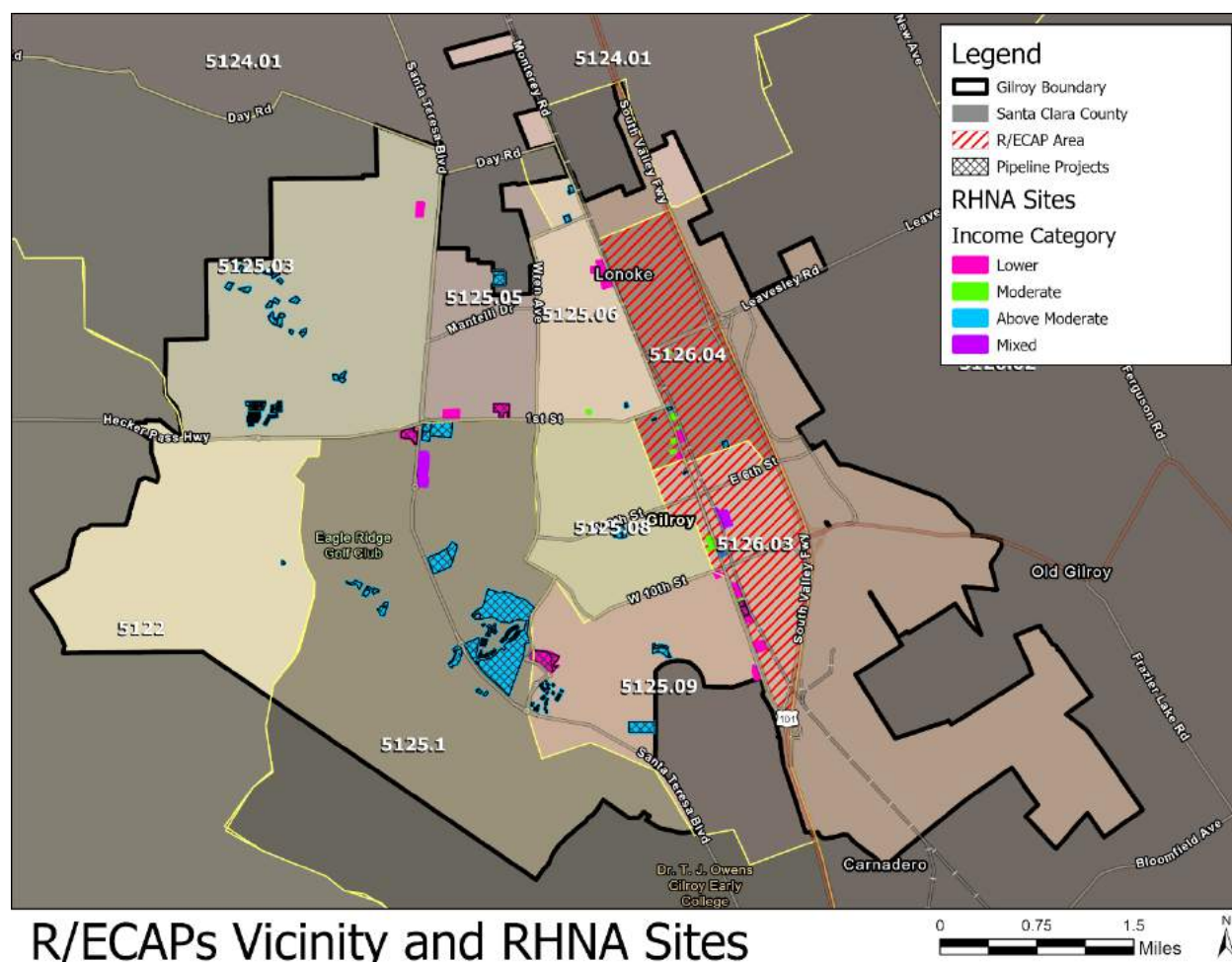
Figure 24: Infrastructure Improvements



Local Data

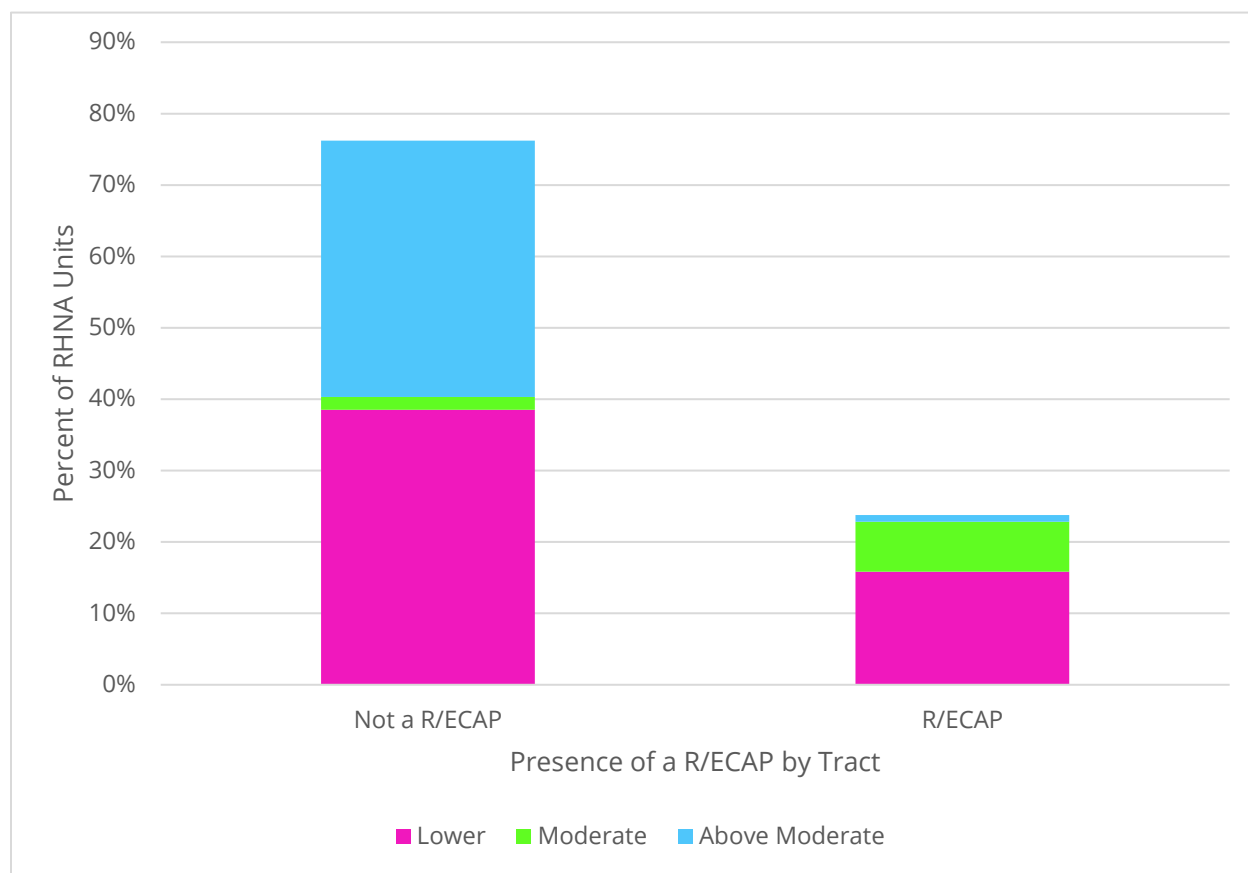
In March 2023, the City's code enforcement officers noted that improvements to sidewalks are being made throughout the City, without an area of concentration. The code enforcement officers also noted that community amenities such as health clinics and hospitals are concentrated in the eastern areas of the City, making these resources accessible to those in the R/ECAP area. They also noted that transit routes are more accessible on the east side, where the R/ECAP is located, and is only minimally accessible in the higher resource western areas of the City. Grocery stores are well distributed throughout the City, including the eastern R/ECAP area.

Figure 25: R/ECAPs in the City and Vicinity



Source: HCD AFFH Data Viewer

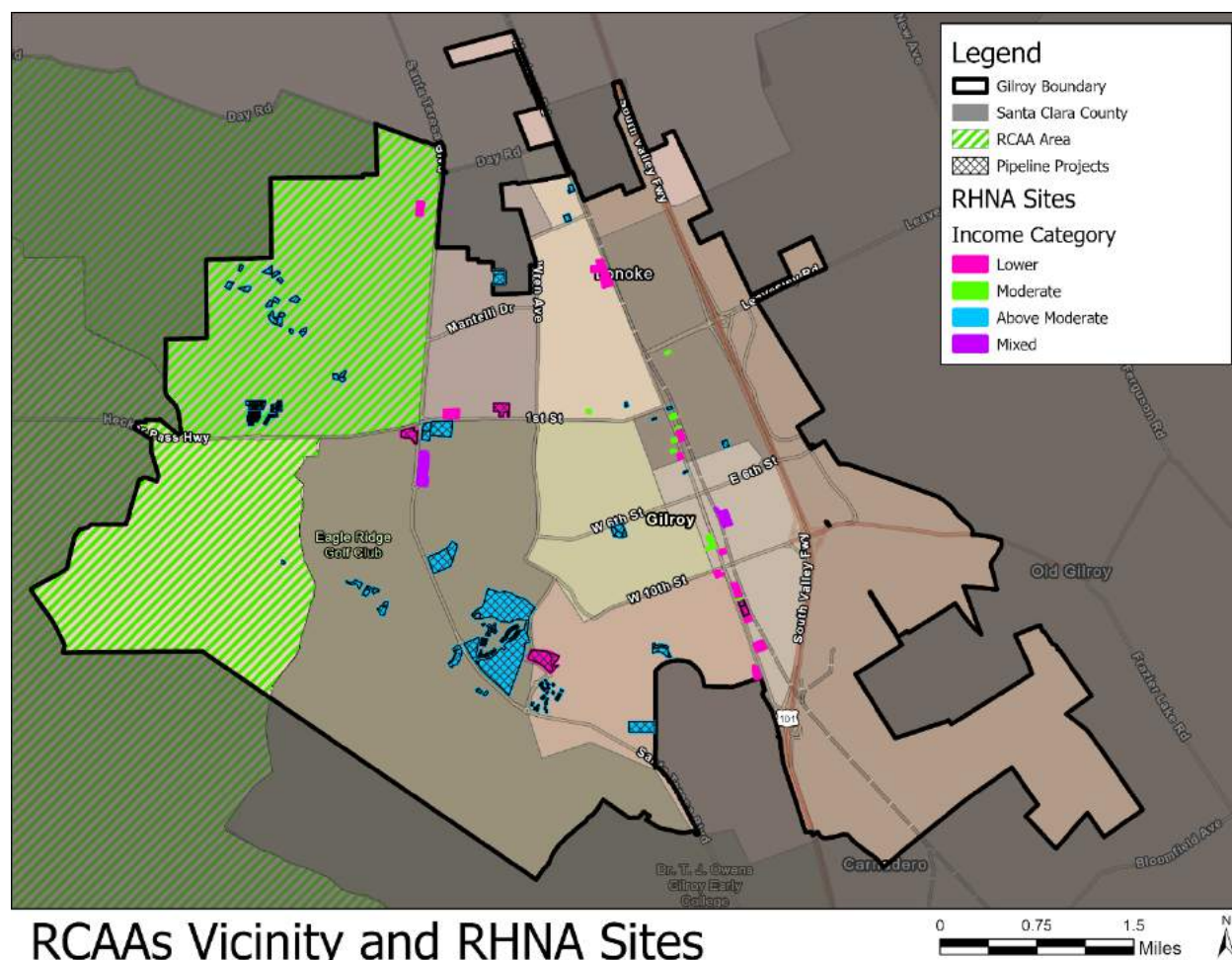
As shown in Figure 26, the majority of the RHNA units are located in non-R/ECAP areas. The City is including multiple programs to ensure that the units that are included in the R/ECAP improve conditions rather than exacerbate existing conditions.

Figure 26: Presence of a R/ECAP Comparison of RHNA Units

Racially Concentrated Areas of Affluence

HUD defines RCAAs as areas where the percentage of the population in a tract that is White is over 1.25 times the average percentage of the population that is White in the given Council of Governments (COG) region and median income is 1.5 times higher than the COG or State AMI, whichever is lower.

The City of Gilroy has an RCAA area along the western portions of the City. The west tracts have more open space and agriculture, so the population as a whole is generally more concentrated in the east, which may skew data perception. Additionally, these census tracts have the majority of their acreage outside of the City of Gilroy, making it likely that the small portion of tracts within the City are not primarily responsible for this overall designation. However, newer single-family development primarily occurs in these areas. Newer large homes are often more expensive than older small homes in the downtown areas, which correlates with higher income households in these newer areas. The data collected through Program A - 6 (ADU Tracking and Monitoring) will help inform the City's efforts in Program A - 8 (Incentives for Affordable ADUs), to promote housing mobility and increased housing opportunities including ADU development in the western portion of the City.

Figure 27: RCAAs Vicinity and RHNA Sites

Source: HCD AFFH Data Viewer

Disparities in Access to Opportunities

California Tax Credit Allocation Committee (TCAC)

One tool that can be used to analyze disparities in access to opportunities is the California Tax Credit Allocation Committee's (TCAC) Opportunity Area scores. These were prepared by a task force commissioned by the TCAC and HCD to identify areas statewide whose economic, educational, and environmental characteristics support positive outcomes for low-income families. The map is updated annually. Opportunity maps are made for three domains: economic, environmental, and education. Each map uses categorical indicators to determine its individual score. A composite score and resource designation combining all three designations is then assigned to each block group.

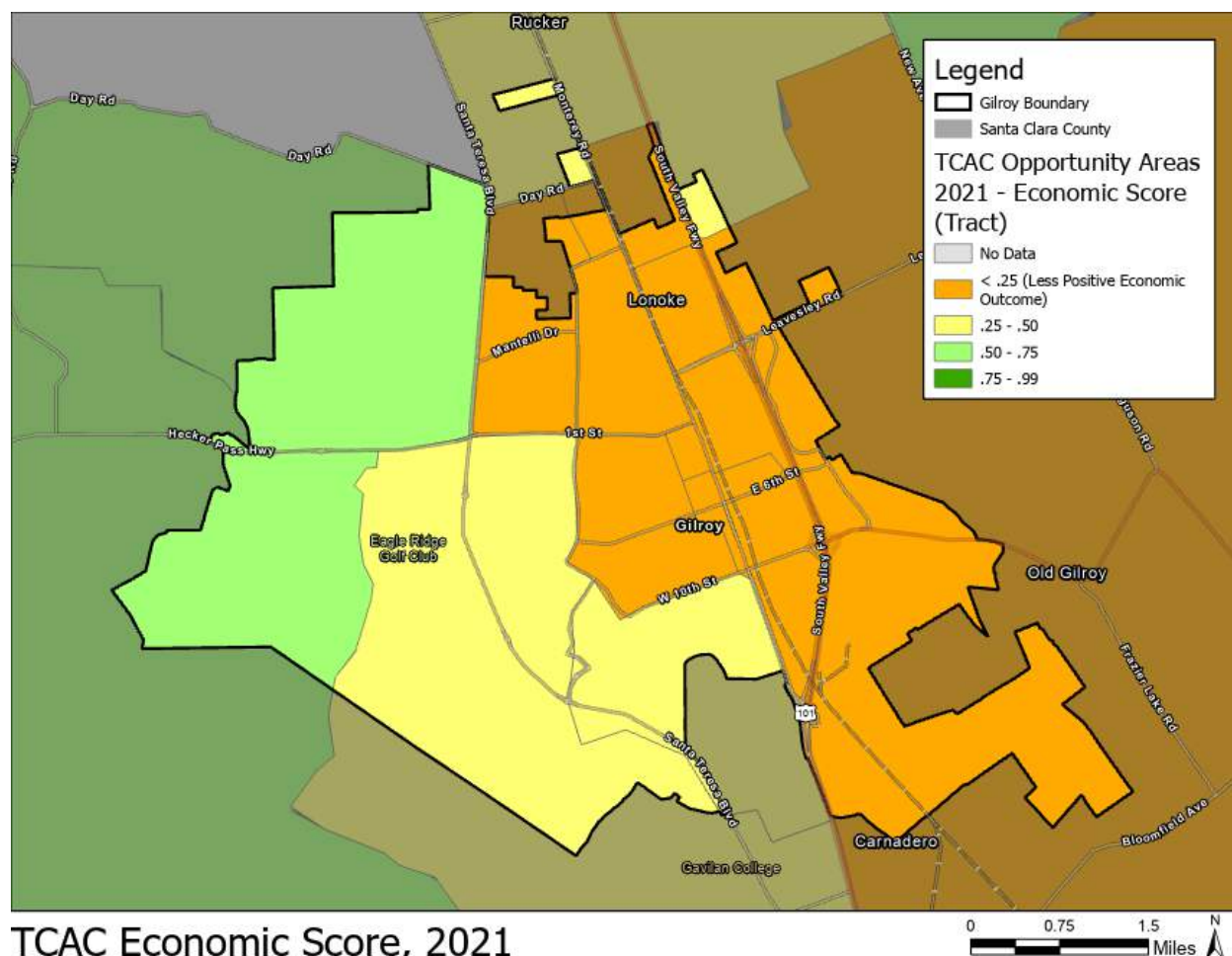
To determine the final resource category, the top 20 percent of overall scores in a county are labeled as highest resource and the next 20 percent of scores are labeled as High Resource. Then, any area that is considered segregated and that has at least 30 percent of the population

living below the federal poverty line is labeled as an area of High Segregation and Poverty. Any remaining uncategorized areas in the County are evenly divided between Moderate Resource and Low Resource areas. The rationale and metric for each indicator is described in more detail in current guidance documents for the California TCAC program.²⁰ Additional information regarding these indicators in Gilroy are provided on the following pages.

Economic Indicators

Economic indicators include poverty, adult education, employment, job proximity, and median home value. The scores for Gilroy are shown in Figure 28. Gilroy has more positive economic scores in the west, and less positive scores in the eastern parts of the City. The less positive scoring area includes the R/ECAP, while the more positive scoring area contains single-family homes. The more positive scoring area also has some open space, which may slightly skew results. The City is located far away from major regional job centers. For this reason, the City also trends lower in score when compared to the region as a whole.

²⁰ <https://www.treasurer.ca.gov/ctcac/opportunity/2022/2022-hcd-methodology.pdf>

Figure 28: TCAC Economic Score, 2021**TCAC Economic Score, 2021**

Source: HCD AFFH Data Viewer

Education Indicators

Education indicators include math and reading proficiencies of fourth graders, high school graduation rates, and the student poverty rate. The entirety of Gilroy is served by the Gilroy Unified School District, which includes 11 elementary schools, 6 middle schools, and 6 high schools. According to Great Schools, 31 percent of schools in the district are rated below average, 44 percent are rated average, and 25 percent are rated above average.²¹

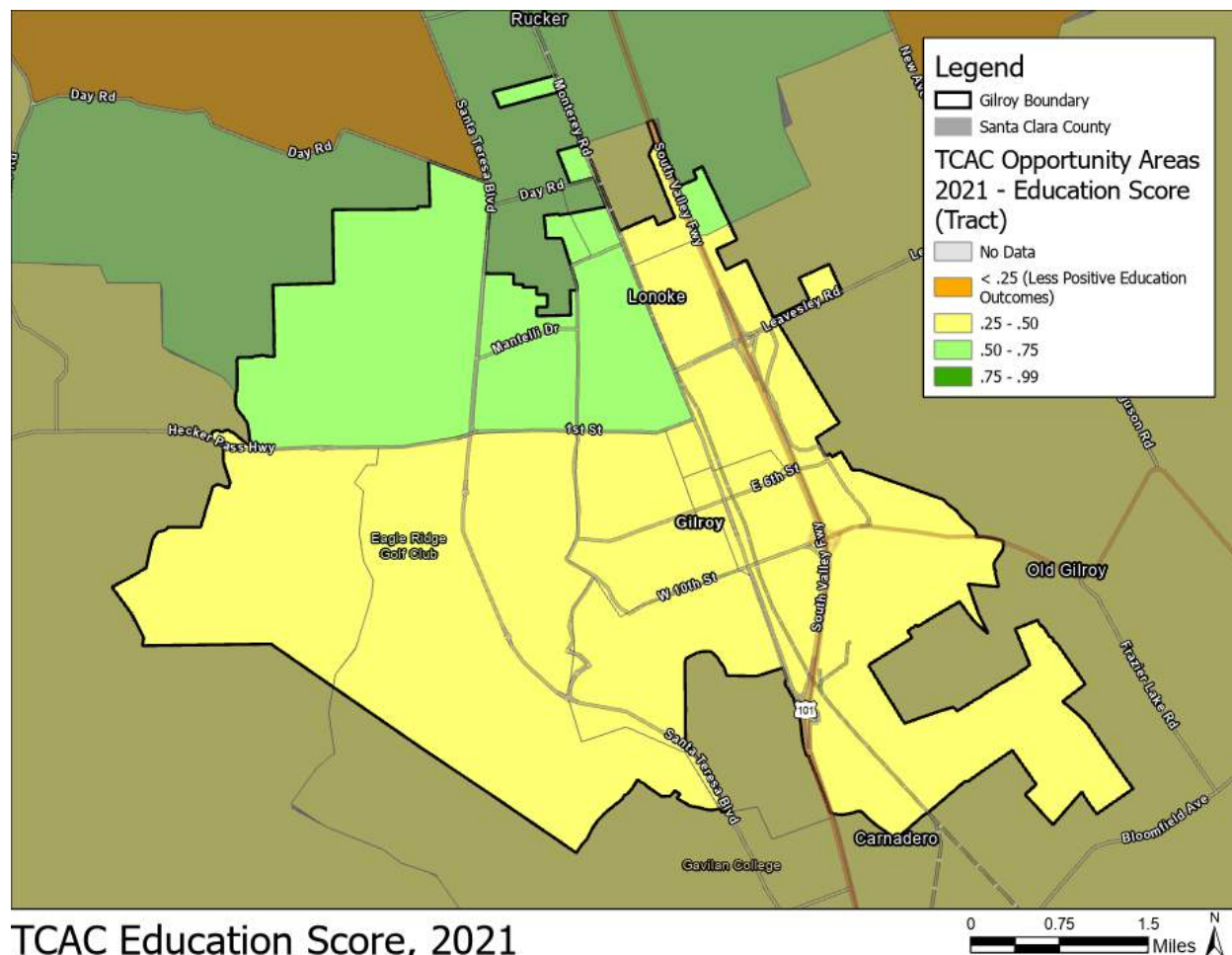
The Gilroy Unified School District has a Migrant Education Program which aims to ensure that all migrant students experience a high-quality education. This program includes actions to ensure that migrant children who move among the states are not penalized by disparities among the states in curriculum, help students overcome language barriers, and more.²²

²¹ Great Schools, Gilroy Unified School District Summary. https://www.greatschools.org/california/gilroy/gilroy-unified-school-district/#summary_rating

²² Migrant Education Program. <https://www.gilroyunified.org/departments/educational-services/migrant-education>

As shown in Figure 29, most of the City has less positive education outcome scores, with the northmost areas being positive. Additionally, the above average poverty rates in the City have a negative effect on TCAC educational scores, as poverty rates are included in this calculation.

Figure 29: TCAC Education Score



Environmental Indicators

The environmental domain utilizes CalEnviroScreen (CES) 3.0²³ pollution indicators and values (see below for more discussion on CES). As shown in Figure 30, the scores vary throughout the City, with environmental outcomes becoming less positive as the tracts move eastward. The tracts bisected by the 101 Highway have lower outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be contributions from the large agriculture industry in the City.

²³ Note that the 2021 TCAC environmental score relies on CES 3.0, rather than the updated CES 4.0.

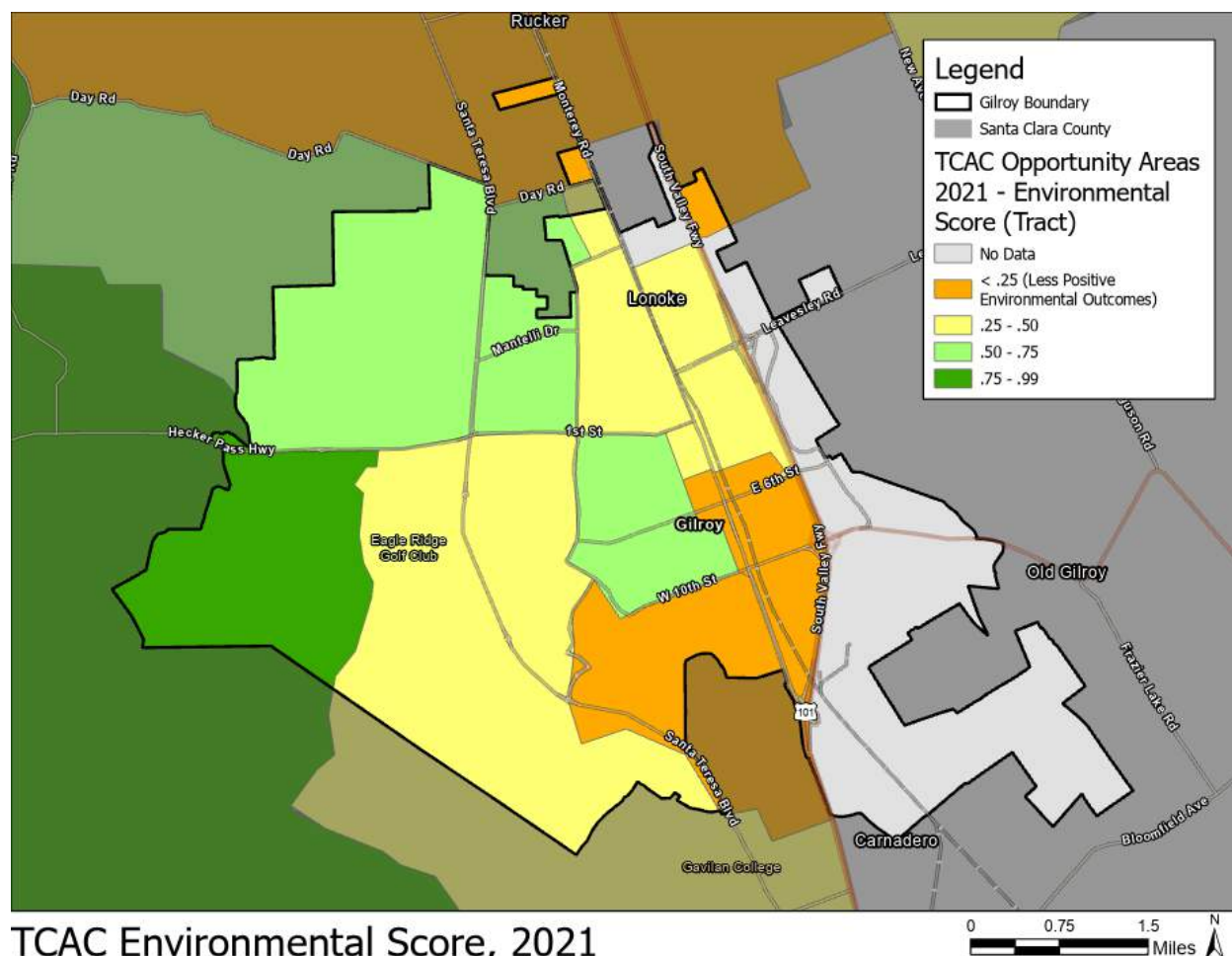
Figure 30: TCAC Environmental Score**TCAC Composite Score**

Figure 31 displays the 2022 TCAC composite score for the City. The vast majority of the City is in the moderate or low resource area. A corner of the City is a part of a large census tract that is high resource. The portions of this tract in the City contain mostly hillside open space and the Gilroy Gardens Family Theme Park, along with two single-family neighborhoods. A large portion of the population in the census tract lives outside of the City.

The downtown area has access to regional transit, employment opportunities, and social resources. Furthermore, through the 2040 General Plan and the Downtown Specific Plan, the City is focusing growth and economic development to revitalize the downtown area. Investments in the area, including the future construction of a high-speed rail station are expected to increase access to opportunity and increase resources in the low resource area of the City. As such, the majority of RHNA opportunity sites are located in the downtown, which is currently considered a low resource area.

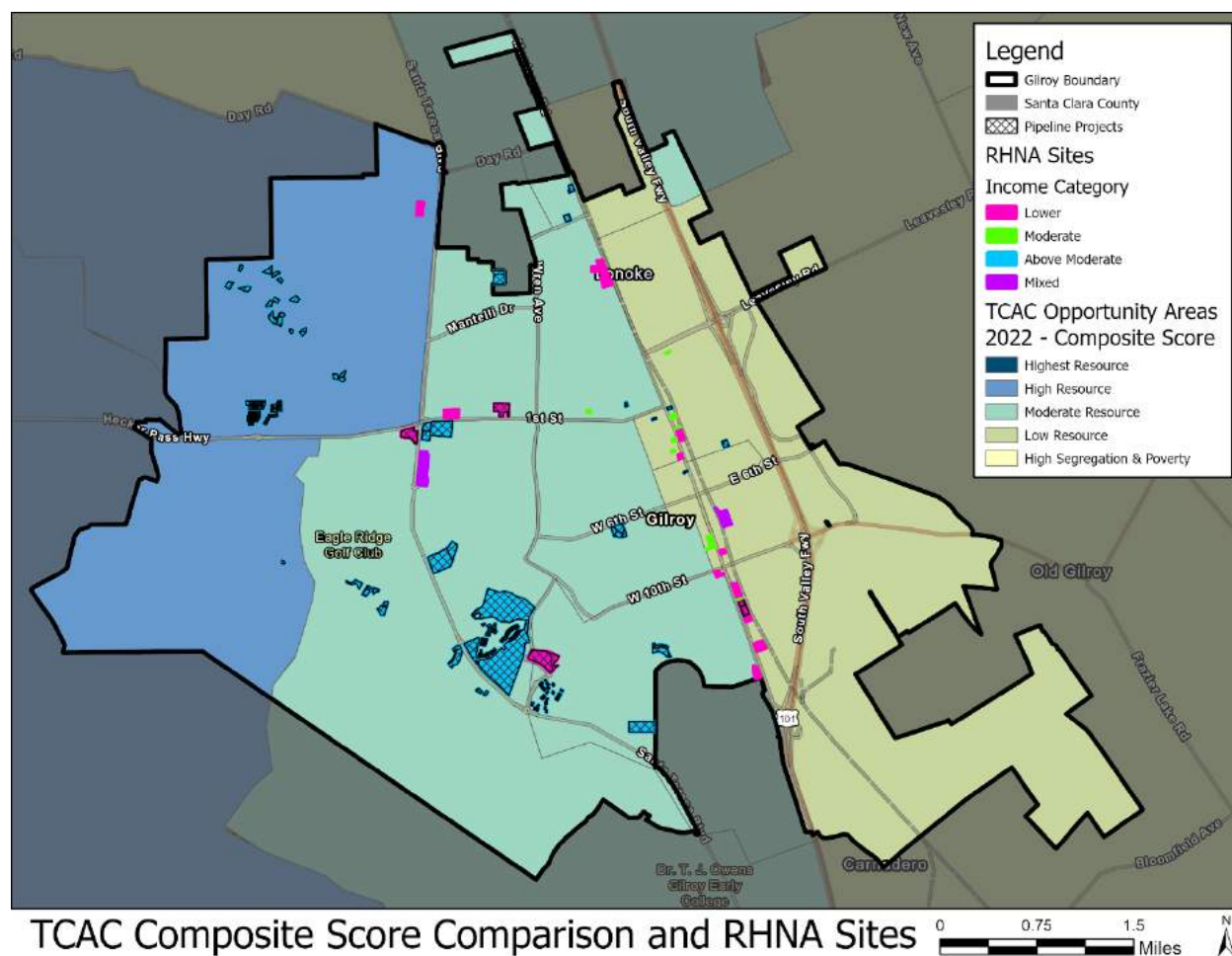
Place-based improvements in the downtown area includes the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.
- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

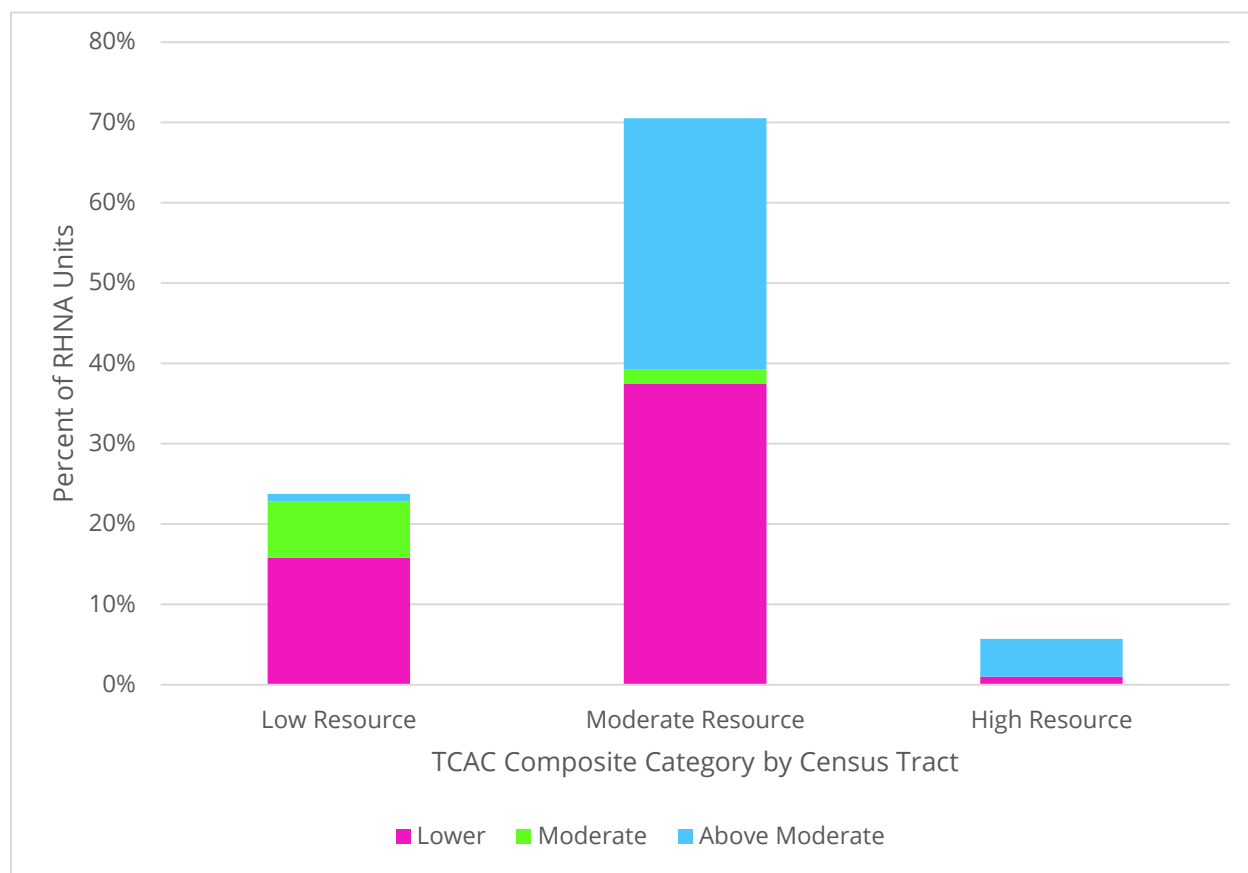
- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

Many of the pipeline projects, including low- and moderate-income units, are located in the moderate resource areas of the City. The City is also including programs to encourage development in the Moderate Resource area of the City. Programs include targeted ADU outreach to the single-family neighborhoods (Program A - 6), and ministerial approval of triplexes and fourplexes on corner lots in the R1 and R2 zones throughout the City (Program A - 10). The City is also adopting an inclusionary housing ordinance (Program A - 11), a program to develop incentives beyond density bonus state law (Program A - 12), and a program to allow flexibility for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households in the First Street Corridor (Program E - 12).

Figure 31: TCAC Composite Score and RHNA Sites

Source: HCD AFFH Data Viewer

As shown in Figure 32, the majority of RHNA sites in the City are in low or moderate resource areas, with a large majority of above moderate pipeline projects in the moderate resource area. The area of the City with the highest resource category is about half open space. As the majority of the City is moderate resource, distributing RHNA sites of a variety of income in areas of these categories is unlikely to exacerbate any conditions or make any negative changes to the resource designation. Just over 30 percent of the City is low resource, and 24.7 percent of RHNA sites are located in the low resource area.

Figure 32: TCAC Designation Comparison of RHNA Units

Increasing Housing Opportunities in Higher Resource Areas

The City is including several programs to increase housing types and opportunities in higher resource areas of the City. These efforts go beyond sites that are included on the Opportunity Site List and help improve housing choice and mobility, by providing opportunities to increase the number and type of dwelling units in lower density residential zones. Program A - 10 creates a ministerial approval process for triplexes and fourplexes on corner lots in the R1 and R2 zones to encourage the development of middle-income housing in high-resource areas primarily comprising detached single-family residences. Under Program E - 12, the City will allow flexibility for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households in the First Street Corridor. Program G - 5 includes the creation of informational and promotional pamphlets regarding opportunities to develop duplexes, triplexes, and quadplexes in the City. The pamphlets will be provided online, at City Hall, and at informational booths where housing resources are provided. Program A - 6 includes targeted ADU outreach to the single-family neighborhoods. The missing middle policy would apply to approximately 1,106 total parcels in the R1 and R2 zones, as shown in Figure 33.

In the R-1 zone, approximately 1,067 parcels have single-family homes on corner lots greater than 6,000 square feet. Allowing triplexes and quadplexes by right on these corner lots could allow for an additional 3,201 units. These units are primarily in the moderate and high resource areas of the City, so this would allow for increased capacity for housing in these zones and increased flexibility for missing middle housing in the R1 zone. Of these 1,067 parcels, 361 are in the high resource TCAC category, 664 are in the moderate resource category, and 42 are in the low resource category. Program A - 10 would also apply to approximately 39 corner lots with single-family homes in the R2 zone. Of these 39 parcels, 22 are in the moderate resource category, and 17 are in the low resource category.

Figure 33: Existing Single-Family Homes on Corner Lots in R1 and R2 Zones



Source: City of Gilroy

Access to Opportunities, Regional Comparisons

HUD has developed a series of indices for fair housing analysis to assist cities in identifying disparities in access to opportunity. The following indicators are scored on a scale from zero to 100.²⁴

- **Low Poverty Index:** The low poverty index captures poverty at the census tract level. The higher the score, the less exposure to poverty.
- **School Proficiency Index:** The school proficiency index uses the performance of fourth-grade students on state exams to describe which areas have higher and lower performing schools. The higher the score, the higher the school system quality.
- **Labor Market Index:** The labor market index measures the relative intensity of labor market engagement and human capital. The index is calculated using employment levels, labor force participation, and education attainment. The higher the score, the higher the labor market participation in a neighborhood.
- **Transit Index:** The transit index is based on estimates of transit trips taken by a three-person, single-parent family with income at 50 percent of the median income for renters for the region. The higher the index, the more likely that the residents use public transit.
- **Low Transportation Cost Index:** The low transportation cost index is calculated based on estimates for a three-person, single-parent family with income at 50 percent of the median income for renters for the region. More specifically, this index considers transportation costs as a percentage of income for this household type. The higher the index, the lower the cost of transportation.
- **Jobs Proximity Index:** The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region. Larger employment centers are more heavily weighted. The higher the index, the better access to employment opportunities.
- **Environmental Health Index:** The environmental health index summarizes potential exposure to a variety of toxins that are harmful to human health. The higher the index, the less exposure to toxins.

As shown in Table 52, the most variation between different ethnicities in Gilroy is seen in the low poverty index, with the Hispanic population at 41.0 while the Asian and White populations score 60.1 and 57.7, respectively. The labor market index also shows variation, with the Hispanic population at 43.7, while the Asian population scores 59.0.

Compared to the wider Santa Clara County region as a whole, Gilroy scores lower in all index categories for all groups, indicating the City may have less access to resources when compared

²⁴ HUD Affirmatively Furthering Fair Housing Data and Mapping Tool (AFFH-T) Data Documentation

to the County as a whole. This means that Gilroy generally has more exposure to poverty and lower performing elementary school students. Gilroy scores are about the same as the region's scores in the low transportation cost index. Gilroy also has a lower score in the environmental health index, indicating higher exposure to toxins than the region. Additionally, scores in job proximity are much lower than in the region, which is likely due to the City's distance from tech industry jobs in the region, since the City is located in the southern portion of the County.

Table 52: Opportunity Indicators²⁵

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
Gilroy							
White	57.7	59.5	57.8	55.4	88.6	16.4	39.1
Black	54.1	62.5	54.8	55.1	88.8	16.9	39.1
Hispanic	41.0	58.4	43.7	55.3	90.8	21.1	38.9
Asian	60.1	62.4	59.0	55.3	88.3	15.8	39.0
Native American	45.1	59.4	46.8	54.9	90.4	20.9	39.0
Santa Clara County							
White	81.1	81.9	82.2	68.1	91.2	52.8	58.8
Black	72.9	74.1	74.2	73.4	93.1	57.1	53.5
Hispanic	65.3	58.9	61.9	64.5	91.3	43.2	54.6
Asian	82.0	85.3	83.3	71.4	91.4	51.7	61.6
Native American	70.9	69.4	68.4	67.2	91.8	50.6	56.7

Source: Decennial Census; American Community Survey; Great Schools; Common Core of Data; School Attendance Boundary Information System; Local Affordability Index; Longitudinal Employer Household Dynamics; National Air Toxics Assessment

Transportation

Access to adequate transportation and a variety of transit options can help illustrate disparities in access to opportunities. The Valley Transportation Authority (VTA) serves Santa Clara County, and there is also a commercial shuttle service available from the San Francisco and San Jose airports. Both public transportation and Highway 101 provide access from Gilroy to north Santa Clara County. The City is the southernmost stop on the Caltrain, which operates commute service to the Santa Clara Valley, San Francisco Peninsula, and San Francisco. Amtrak's Capitol Corridor line runs a thruway line from San José to Santa Barbara with a stop

²⁵ HUD Affirmatively Furthering Fair Housing. <https://egis.hud.gov/affht/>

Affirmatively Furthering Fair Housing ■

in Gilroy. The Monterey-Salinas Transit Line 55 stops in Gilroy and provides rush hour service between San José and Monterey. The San Benito County Express provides intercounty bus service from Gilroy to Hollister and San Juan Bautista.

Transit routes in Gilroy are shown in Figure 34. The VTA provides service to Gavilan College with bus lines along Luchessa Avenue and Santa Theresa Boulevard. The City also has a full network of bike lanes which connect all elementary, middle, and high schools in the area.

A future high-speed rail station is proposed in downtown Gilroy at the existing Caltrain station on Monterey Street between 7th and 9th Streets. This station will be a transit hub for southern Santa Clara County and provide additional transit access for the community. Many RHNA sites have been chosen specifically for their proximity to existing and proposed transit.

The City will work with California High Speed Rail to develop a station area plan for the proposed station through Program A - 13. The existing transit and proposed high speed rail bring the opportunity to create transit-oriented development in the downtown area.

Figure 34: Transit Route Map

Source: Valley Transportation Authority, 2022

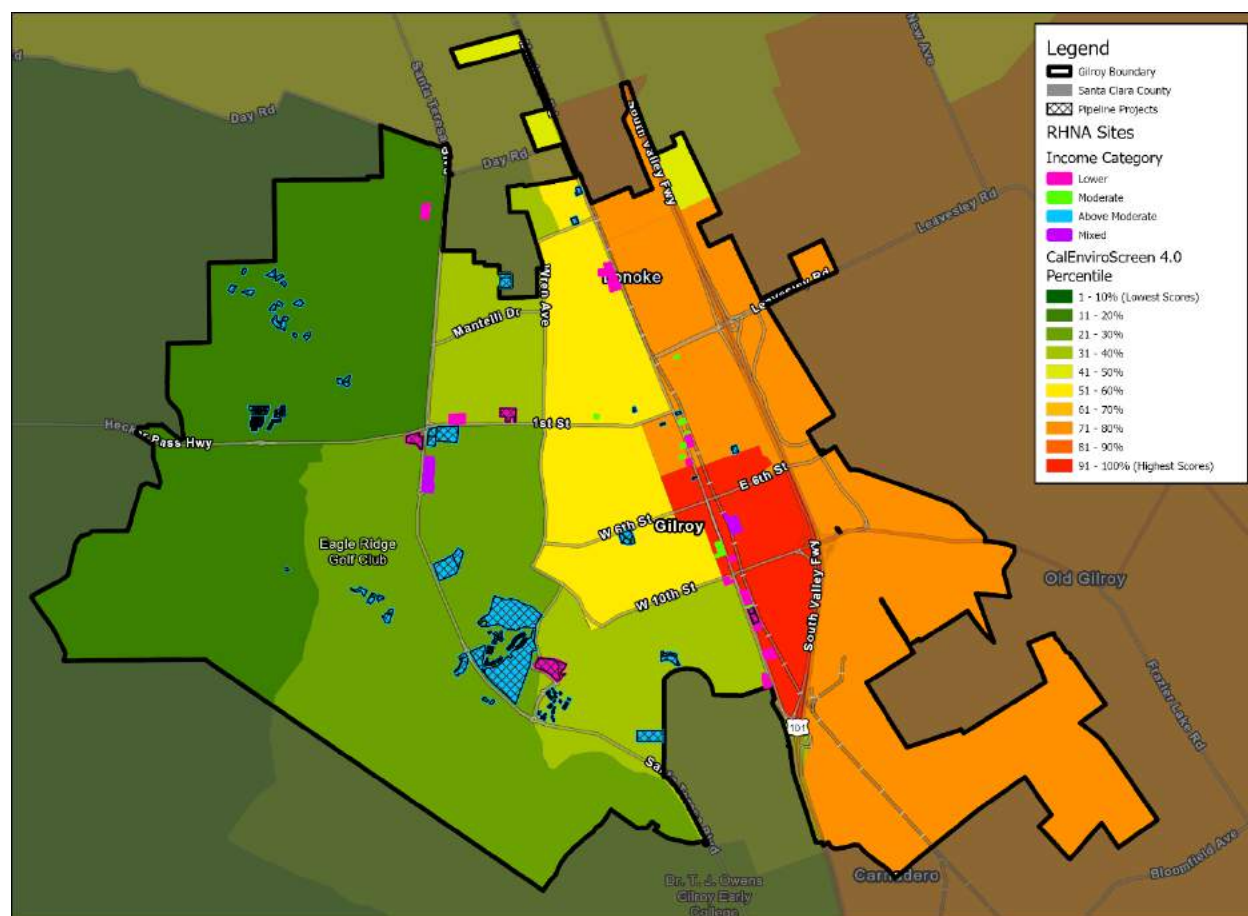
CalEnviroScreen 4.0

CES 4.0 is a tool that identifies communities in California that are disproportionately burdened by pollutants. Factors used to identify communities include ozone, particulate matter, drinking water contaminants, pesticide use, lead, diesel particulates, asthma rates, and linguistic isolation. A higher score indicates a higher effect of pollutants for the area.

The CES scores for the City of Gilroy in Figure 35 show that highest scores occur in the eastern half of the City, where the R/ECAP is located. CES scores are lower in the west. The areas

bisected by the 101 Highway have less positive outcomes, potentially due to pollution from freeway proximity. Pesticides, hazardous waste, solid waste, and impaired water are the highest scoring pollutants in the area, which may be attributed to both permitted and unpermitted contributions from the large agriculture industry in the City. The lower density western portion of Gilroy contains steeply sloped areas and low-density development, and large open areas that significantly limit development, contributing to lower CES scores.

Figure 35: CES Percentile and RHNA Sites

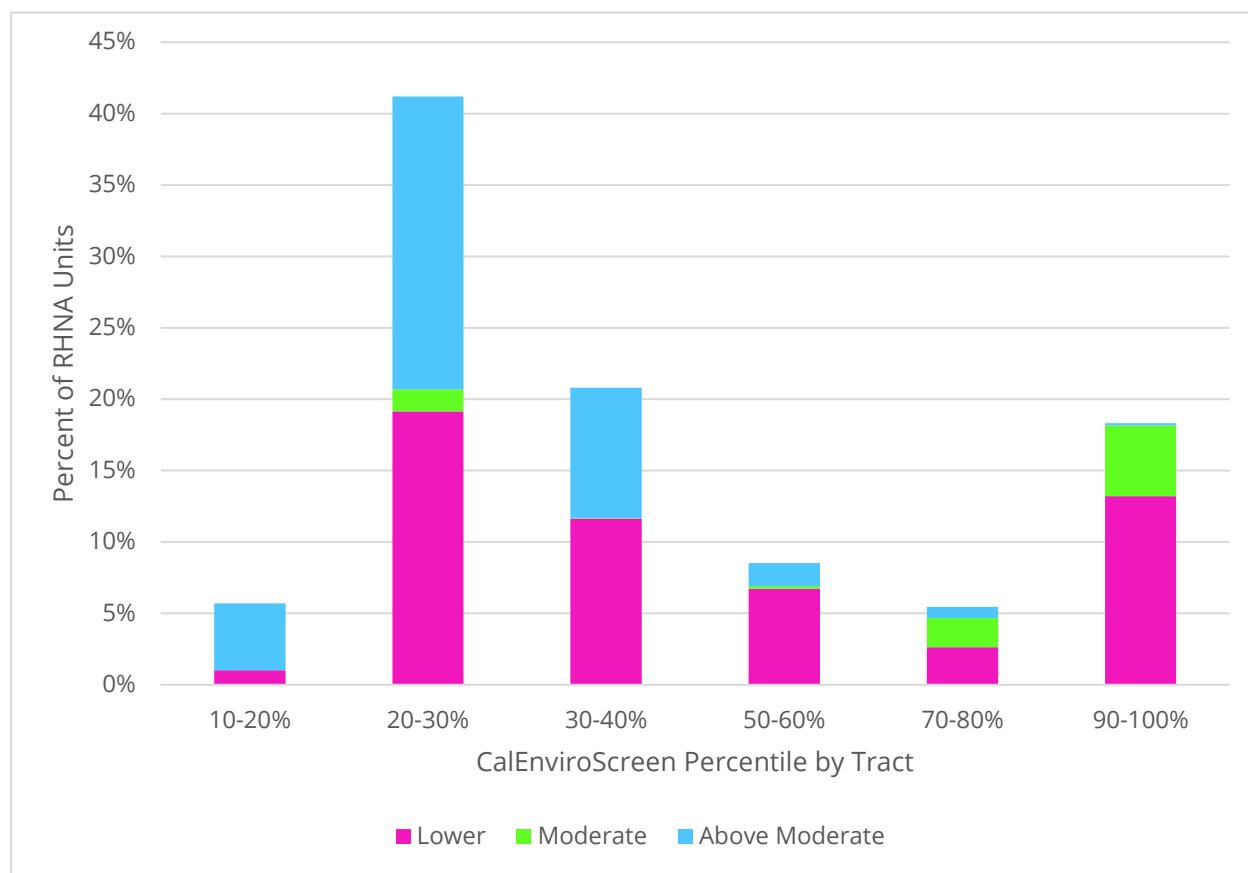


CalEnviroScreen 4.0 Percentile Score and RHNA Sites



Source: HCD AFFH Data Viewer.

As shown in Figure 36, RHNA pipeline and opportunity sites are distributed throughout both the lower and higher scoring areas of the City. For example, ~~41.2~~ 36.5 percent of RHNA units are located in a tract in the 20-30% CalEnviroScreen Percentile. Although the Downtown Specific Plan area contains the highest CES scores in the City, RHNA sites in this area will provide potential residents with access to transit and employment resources, including a new future high speed rail station.

Figure 36: CalEnviroScreen Percentile Comparison of RHNA Units

Findings

Overall, the City of Gilroy is largely of lower and moderate resource. The City has lower scores in opportunity metrics compared to the County as a whole. As such, many of the RHNA sites are located in a low-resource area (see Figure 31), which includes the Downtown Specific Plan area. The low resource area is also where housing choice voucher use primarily occurs. While pipeline projects are more evenly distributed throughout the City, proposed RHNA sites in the downtown area will provide potential residents the best access to services, employment resources, and transit, including the future high-speed rail station.

The City is including Program F - 3 to ensure that the RHNA site selection will improve access to place-based improvements in lower-resource areas, such as the \$3.9 million grant in the historic downtown. The grant funding is for streetscape improvements, including new pedestrian and bicycle-friendly paving/markings, lighting, signage, benches, street trees, and waste receptacles. The Housing Element also includes a displacement prevention program (Program F - 5), tenant mediation program (Program F - 2), and targeted funding such as Housing Rehabilitation (Program C - 2), CDBG funding (Program D - 5), and the Permanent Local Housing Allocation (PLHA) Fund (Program D - 1).

Additionally, other programs in the Housing Element are intended to spur housing development in the moderate- and high-resource areas of the City. This includes a program that geographically targets ADU education (Program G - 3), development of an inclusionary housing policy (Program A - 11), development of a density bonus program that goes beyond state law (Program A - 12), and ministerial approval of triplexes and quadplexes that meet objective design standards (Program A - 10).

Disproportionate Housing Needs

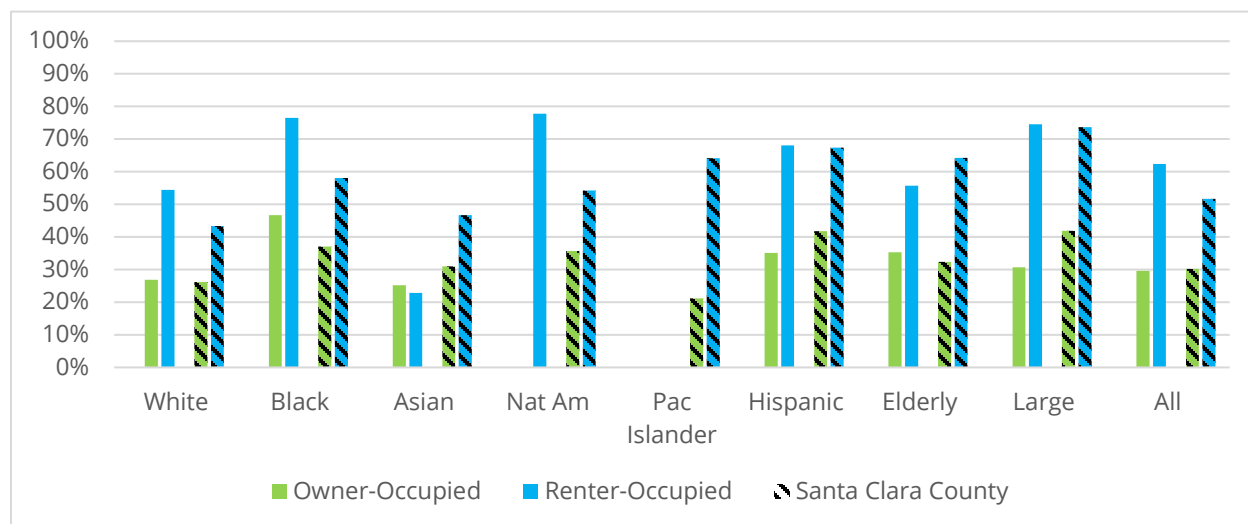
Substandard Housing

Disproportionate housing needs are determined by finding trends in housing problems in the population by race, household size, or household age. A housing unit is considered substandard or having a housing problem if it has one or more of the following housing conditions:

- Housing unit lacks complete kitchen facilities
- Housing unit lacks complete plumbing facilities
- Household is cost burdened
- Housing unit is overcrowded

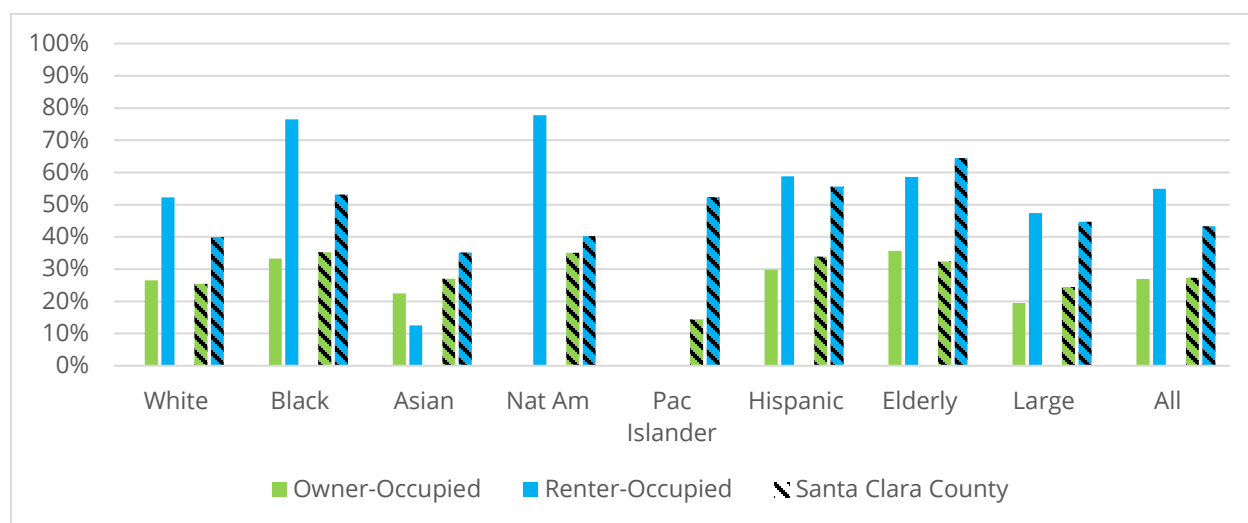
Large and elderly households are often more likely to experience housing problems. A large household is a household with three or more children, but is also often calculated as a household with five or more people. An elderly household is calculated as any household with a person over 62 years of age.

Black and Native American renters experience housing problems at the highest rate, around 75 percent, while only about 25 percent of both Asian and White owners experience housing problems. Rates of housing problems for Hispanic owners vary between the City (35.1%) and the County (41.8%), while rates of housing problems for Hispanic renters are relatively comparable between the City (68.1%) and the County (67.4%). In 2018, there was no Pacific Islander population in the City, which indicates why Figure 37 reads that 0 percent of that population experiences housing problems.

Figure 37: Housing Problems by Tenure and Race/Elderly/Housing Size

Source: HUD CHAS Data, 2018

Cost burden is when a household spends more than 30 percent of its monthly income on housing costs such as rent, mortgage, or utilities. Large households have more costs to support more people, and may experience cost burden or a lack of excess funds to amend housing problems. Elderly households may be on a fixed income, which affects excess funds necessary for maintenance in an older home bought before retirement.

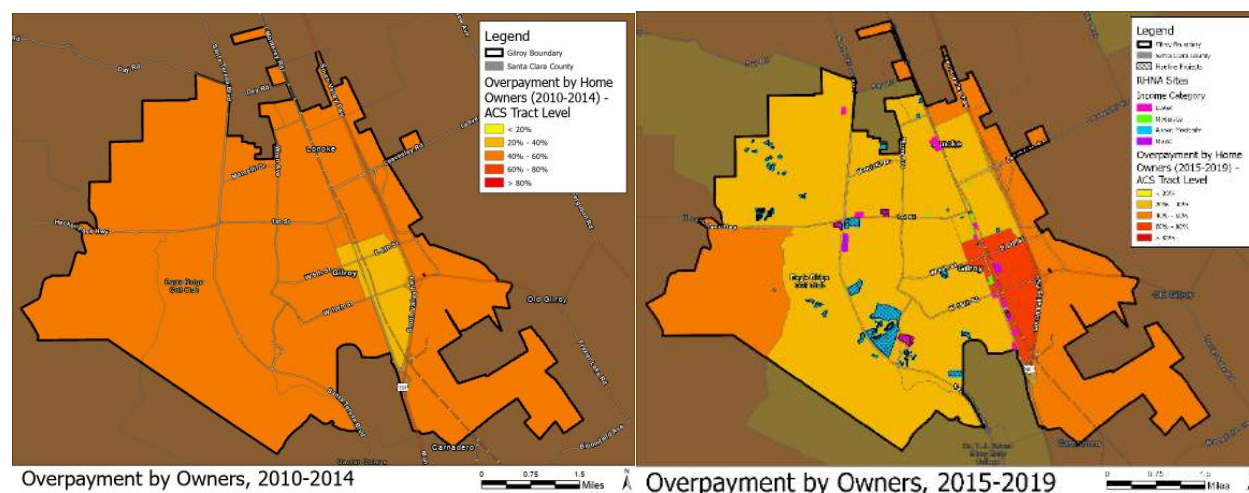
Figure 38: Cost Burden by Tenure and Race/Elderly/Housing Size

Source: HUD CHAS Data, 2018

Overpayment by both owners and renters has decreased in Gilroy over time in most areas of the City. The area with the highest levels of overpayment is the same area that has low environmental scores and higher levels of poverty. Overpayment in the City occurs at a similar, though slightly higher level than in the County, with 38 percent of households experiencing a

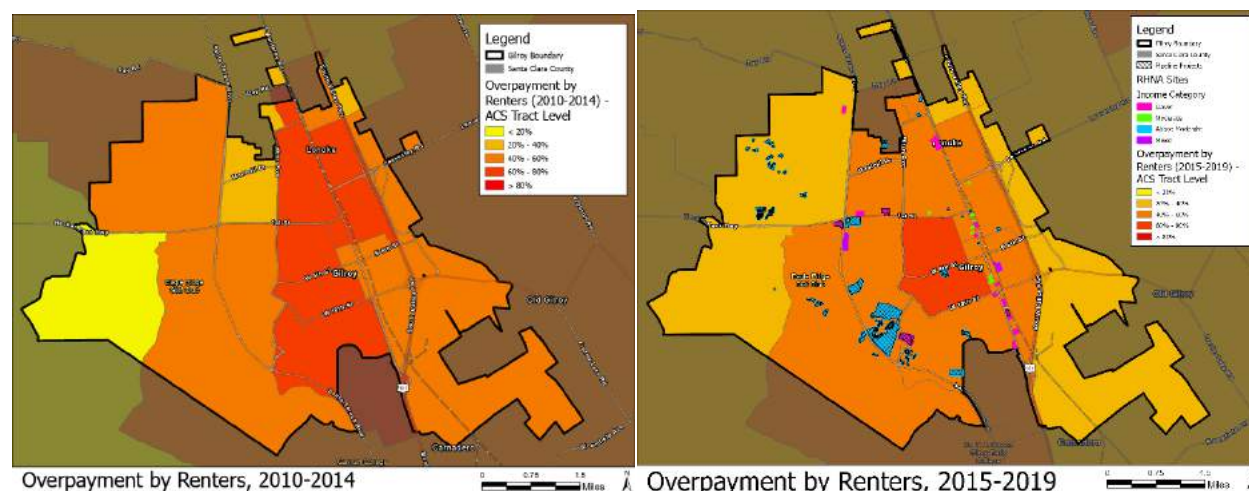
cost burden Citywide, compared to 34.2 percent in the County. In both cases, renters have higher rates of overpayment than owners.

Figure 39: Overpayment by Owners



Source: HCD AFFH Data Viewer

Figure 40: Overpayment by Renters



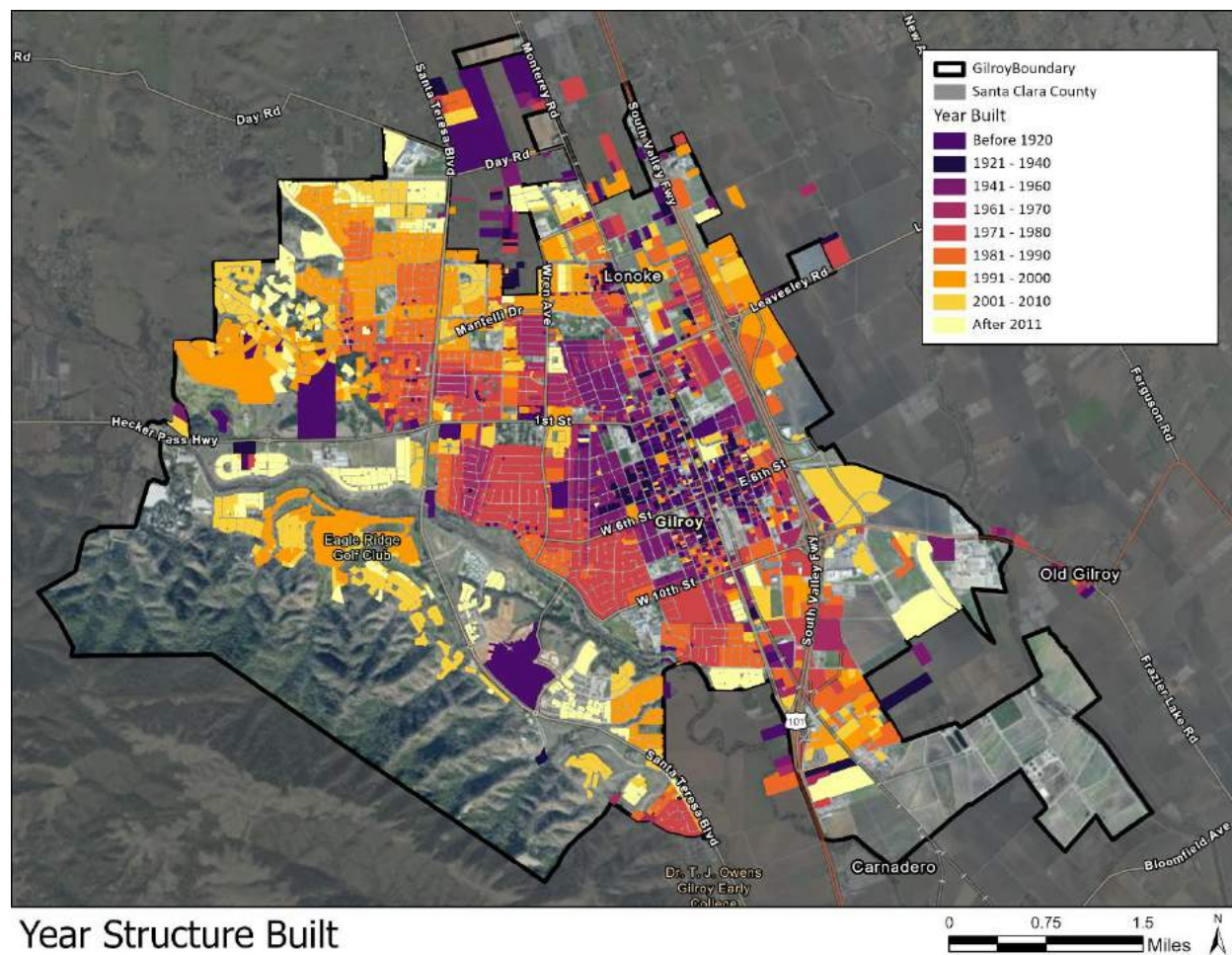
Source: HCD AFFH Data Viewer

Local Data

Per conversations with the City's Code Enforcement officers in March 2023, the areas with housing conditions in potentially higher need of rehabilitation and replacement are the areas with the oldest housing stock in Gilroy. As shown in Figure 41, housing stock in the eastern portions of the City is generally older and there are –more households experiencing overcrowding. The City is including multiple place-based programs to promote improvement in the eastern, older portions of the City, including place-based improvements (Program F - 3), a displacement prevention policy (Program F - 5), increased outreach in downtown areas

(Program G - 4), and fair housing support through partnerships with Project Sentinel (Programs F - 1 and F - 2). Code Enforcement officers also noted that the eastern or downtown areas of Gilroy have better access to transit than the newer neighborhoods in the west.

Figure 41: Year Structure Built



Source: County Assessor data and Michael Baker International

Overcrowding

A household is considered overcrowded when there is more than one person per room, including living and dining rooms but excluding bathrooms and kitchens. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration of the housing stock. Additionally, overcrowding can indicate that a community does not have an adequate supply of affordable housing and/or variety of suitable housing units to meet the needs of the community.

In Gilroy, areas with high concentrations of overcrowding are in areas with high levels of poverty and low economic opportunity, where the R/ECAP is located. Overcrowding is only slightly more prevalent in Gilroy (9.2%) than in the County (7.8%), as a whole. Overcrowding is more prevalent for renters than owners both in the City and regionwide.

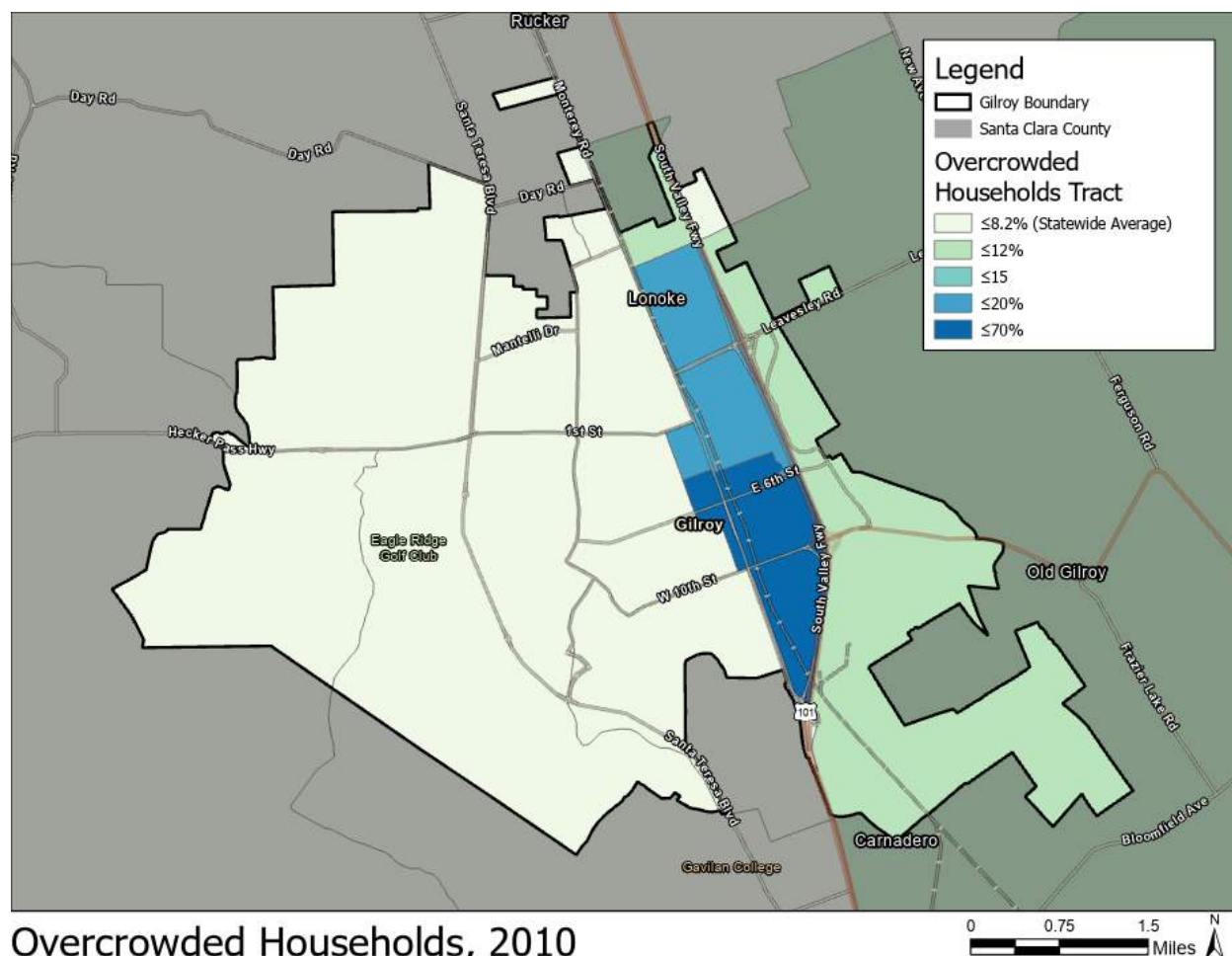
Figure 42: Overcrowded Households

Table 53 summarizes overcrowding in Gilroy by tenure. Approximately 1,482 households, roughly 9.2 percent of all households in Gilroy, were experiencing overcrowding in 2019. This included 347 owner-occupied households and 1,135 renter-occupied households. Instances of overcrowding vary by tenure, with renters experiencing higher levels of overcrowding than owners.

Table 53: Overcrowding, 2019

Jurisdiction	Persons per Room	Owners		Renters		Total	
		Overcrowded Households	% of Total	Overcrowded Households	% of Total	Overcrowded Households	% of Total
Gilroy	1.01 to 1.50	285	1.8%	665	4.1%	950	5.9%
	>1.50	62	0.4%	470	2.9%	532	3.3%
	Total Overcrowded	347	2.2%	1,135	7.0%	1,482	9.2%
Santa Clara County	1.01 to 1.50	7,526	1.2%	21,951	3.4%	29,477	4.6%
	>1.50	2,340	0.4%	17,983	2.8%	20,323	3.2%
	Total Overcrowded	9,866	1.6%	39,934	6.2%	49,800	7.8%

Source: HUD CHAS Data, 2018

Homelessness

Table 54 lists emergency shelters and transitional housing in and adjacent to Gilroy.

The Countywide services and shelter provider HomeFirst Services provides [a 24/7 shelter for adults at the Gilroy shelter](#). The [Gilroy shelter](#) provides sleeping accommodations, meals, restrooms, [showers, mobile laundry](#), and case management support services [via South County Compassion Center staff](#). It has a capacity of [serving 100 persons](#).

The Arturo Ochoa Migrant Center is used as an emergency shelter during the cold weather season from mid-December through mid-March. [It provides 128 shelter beds and has the capacity to house 35 unhoused families with a dependent child under the age of 18](#). St. Joseph's Family Center manages the shelter and referral process. [Walk-ins or families without a referral from a designated community partner are not accepted and 5-7 spots are reserved for Here4You call center hotline referrals](#). EAH Housing is contracted for day-to-day property management operations and site security.

According to conversations with service providers, if the weather is manageable, unhoused individuals express a strong reluctance to use the service. The service providers stress the need for a permanent emergency shelter as well as shelter or housing for single adults who do not exhibit mental illness or substance abuse disorders.

The City of Gilroy provides annual funds to homelessness prevention support and services through the PLHA. [For FY 22-23 and FY 23-24: St. Joseph's Family Center received \\$180,000 to provide emergency rental and utility assistance, as well as training and employment readiness to prepare individuals that are homeless or at risk of homelessness. Community Agency for Resources Advocacy and Services received \\$40,000 to provide rental and deposit assistance. South County Compassion Center received \\$80,000 to provide services to unhoused Gilroy residents and to connect them with services that can help them attain](#)

permanent housing. Through its CDBG-CV funds, the City provided an additional \$287,309 in support to Saint Joseph's Family Center's Rental Assistance program.

Table 54: Homeless Facilities in or Adjacent to Gilroy

Facility Name	Type of Facility	Target Population	Number of Shelter Beds <u>or</u> families served
Gilroy Shelter	Emergency Shelter	Adults Only	100
Arturo Ochoa Migrant Center ²⁶ (adjacent to Gilroy)	Cold Weather Shelter	Households with a dependent under 18	35 families
La Isla Pacifica	Confidential Emergency Shelter	Women victims of intimate partner abuse and their children under 16 years old (16 and up, on a case-by-case basis)	14
Glenview, El Invierno, and Walnut	Transitional Shelter	Single Individuals	25

Source: City of Gilroy, County of Santa Clara.

In 2022, the County of Santa Clara, in conjunction with Applied Survey Research (ASR), conducted the 2022 Santa Clara County Homeless Census and Survey. This survey is conducted every two years in the last 10 days of January. The 2022 Santa Clara County Homeless Census and Survey was performed using HUD-recommended practices for counting and surveying the homeless population. The Point-in-Time Homeless Count identified a total of 10,028 persons experiencing homelessness in Santa Clara County in 2022, an increase of 3% from the count conducted in 2019. Table 55 summarizes sheltered and unsheltered homeless persons in Santa Clara County jurisdictions. There were 814 homeless persons surveyed in Gilroy in January 2022, including 606 sheltered and 208 unsheltered persons.-

²⁶ The Arturo Ochoa Migrant Center is located slightly outside City bounds, but serves Gilroy residents.

Table 55: 2022 Santa Clara County Homeless Census and Survey

Homeless Population	Sheltered	Unsheltered	Total
Gilroy	<u>606</u>	<u>208</u>	<u>814</u>
Campbell	<u>216</u>	<u>0</u>	<u>216</u>
Cupertino	<u>102</u>	<u>0</u>	<u>102</u>
Los Altos	<u>65</u>	<u>0</u>	<u>65</u>
Los Altos Hills	<u>0</u>	<u>0</u>	<u>0</u>
Los Gatos	<u>58</u>	<u>0</u>	<u>58</u>
Milpitas	<u>249</u>	<u>25</u>	<u>274</u>
Monte Sereno	<u>0</u>	<u>0</u>	<u>0</u>
Morgan Hill	<u>60</u>	<u>0</u>	<u>60</u>
Mountain View	<u>206</u>	<u>140</u>	<u>346</u>
Palo Alto	<u>263</u>	<u>0</u>	<u>263</u>
San Jose	<u>4,975</u>	<u>1,675</u>	<u>6,650</u>
Santa Clara	<u>375</u>	<u>65</u>	<u>440</u>
Saratoga	<u>0</u>	<u>0</u>	<u>0</u>
Sunnyvale	<u>279</u>	<u>106</u>	<u>385</u>

Source: Santa Clara County Office of Supportive Housing, 10-29-22

Local Data

In March 2023, the City reached out to South County Compassion Center, who noted concentrations of the homeless population in the center of Gilroy, between Monterey Avenue and Highway 101, which is the R/ECAP area. Similar to comments made by the City's Quality of Life officer, they noted that there is not much migration of the population beyond these areas into the primarily residential neighborhoods. Specifically, there are concentrations of the homeless population in Tomkins Encampment, the IOOF bridge area, Garlic Farm, San Ysidro Park, and Christmas Hill. The homeless population in this area primarily travel by biking or walking, and 70 have an Uplift pass for public transportation.

Place-based improvements in these areas include the \$3.9 million grant through the California Department of Transportation's Clean California Local Grant Program for the Historic Downtown in Gilroy. Improvements anticipated from the grant include:

- **Gourmet Alley between 4th and 7th:** pedestrian and bicycle-friendly markings, new signage, new benches, new trees, repaving of alley in decorative stamped asphalt, new trash enclosures and trash receptacles, additional lighting.

- **Railroad Street between 4th and 7th:** pedestrian and bicycle-friendly markings, new trash receptacles for pedestrians, new signage, additional lighting, new benches, new fencing.
- **Clean Up and Media Campaign:** cleanup days for alleys, anti-littering campaign.

Other place-based improvements in the Downtown include:

- The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City.
- The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets.

The City is including Program G - 6 which includes educating the public on homelessness, consolidating information on resources for the unhoused population on a dedicated webpage, and restarting monthly meetings of the unhoused service providers group.

Permanent Local Housing Allocation Fund

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council approved the replacement of the HTF with the Permanent Local Housing Allocation (PLHA) Fund, making more funds available for public services addressing basic needs and homelessness prevention. Although the HTF will no longer be made available for public service programs or rehabilitation purposes, it will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements until the money is depleted.

The PLHA Fund spans a five-year period and will make available \$1.4 million. The City is contracting with Santa Clara County's Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. Table 56 displays funding approved by the City Council for FY 22-23 and FY 23-24.

Table 56: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Funded Services	Funding Amount
St. Joseph's Family Center	<u>Emergency rental assistance, utility assistance, and other supportive programs that help diminish the risk of becoming homeless</u>	<u>\$110,000</u>
St. Joseph's Family Center	<u>Training and employment readiness to prepare individuals that are homeless or at risk of homelessness for stability and greater self-sufficiency</u>	<u>\$70,000</u>
Project Sentinel	<u>Fair housing services and investigates complaints to address housing discrimination for Gilroy residents</u>	<u>\$40,000</u>
Project Sentinel	<u>Landlord-tenant counseling and dispute resolution program to help resolve housing conflict and protect Gilroy residents from displacement</u>	<u>\$40,000</u>
The Health Trust	<u>Meals to low income and homebound seniors at risk of food insecurity, allowing them to remain in their homes</u>	<u>\$54,000</u>
South County Compassion Center	<u>Services to unhoused Gilroy residents to meet their basic needs and to connect them with services that can help them attain permanent housing</u>	<u>\$80,000</u>
Community Agency for Resources Advocacy and Services	<u>Rental and deposit assistance to prevent homelessness for Gilroy families and individuals</u>	<u>\$40,000</u>
Silicon Valley Independent Living Center	<u>Counseling for Gilroy residents with disabilities, emergency rental assistance, and housing search services to obtain safe, affordable, and accessible long-term housing</u>	<u>\$40,000</u>

Source: City of Gilroy, 2021.

Displacement

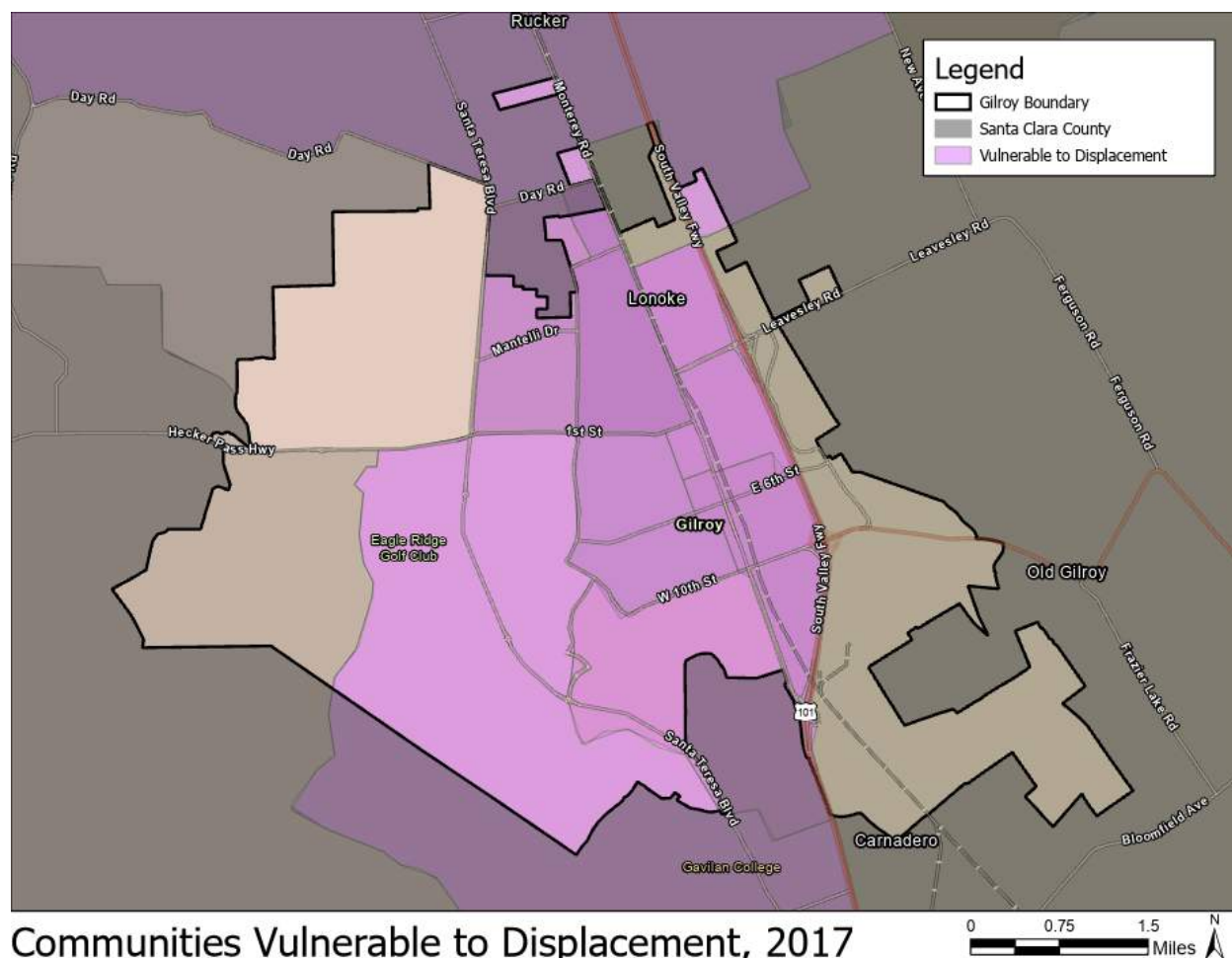
The Urban Displacement Project at the University of California, Berkeley, developed a map of “sensitive communities” where residents may be particularly vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Sensitive communities are defined based on the following set of criteria:

- The share of very low-income residents is above 20 percent.

- The census tract must also meet two of the following criteria:
 - The share of renters is above 40 percent.
 - The share of people of color is above 50 percent.
 - The share of very low-income households (50 percent AMI or below) that are severely rent burdened is above the county median.
 - The census tract, or areas in close proximity, have been experiencing displacement pressures. Displacement pressure is defined as:
 - The percentage change in rent in a selected census tract, divided by county median rent increases OR
 - Median rent in a selected census tract, minus median rent for all surrounding tracts, divided by median rent for all tracts in county (rent gap).

Figure 43 shows the areas vulnerable to displacement as identified by the Urban Displacement Project. The center of the City, including the downtown area in the east, is considered vulnerable to displacement. Areas north and south of the City show similar risk.

The City is attempting to meet its RHNA without displacing existing residents by identifying vacant and underutilized sites that do not have existing residential uses. Therefore, the City's RHNA strategy is not anticipated to exacerbate risk of displacement. Instead, it is expected to counteract this vulnerability and minimize displacement by planning for and providing new housing opportunities for all income levels in areas with greater risk of displacement. Additionally, the City is including a displacement prevention policy (Program F - 5), adopting an inclusionary housing policy (Program A - 11), and providing multilingual tenant support to further minimize the risk of displacement in the City (Programs F - 1 and F - 2).

Figure 43: Communities Vulnerable to Displacement

Findings

Overall, the City of Gilroy experiences housing problems at a similar or lower rate than the region as a whole, while rates of cost burden or overpayment are higher. However, the percentage of the population experiencing overpayment has decreased over time. Overcrowding citywide occurs at a similar rate regionally but is more prevalent in the R/ECAP area, potentially indicating a need for larger units or shared multiplexes in the R/ECAP area.

The City is including Program F - 3, a place-based improvement program, to ensure that the RHNA site selection will improve access to resources in the R/ECAP area. Primarily vacant sites were chosen in the R/ECAP area, allowing residents to find available housing in their own neighborhood and to help prevent displacement due to gentrification of older housing stock. Additionally, Program E - 12 is included to allow stand-alone residential projects in in the Downtown Expansion District to provide further opportunities for affordable housing choices.

Other Contributing Factors

Historic Immigration and Land Use Patterns

Gilroy got its start in 1850 as a stagecoach stop for passengers traveling to San Francisco. During the 1850s, a nucleus of houses and small businesses were constructed along Monterey Road, the old El Camino Real. The railroads connected Gilroy with San José in 1869, and Gilroy incorporated with the State as a charter city in 1870. At that time, Gilroy had a population of 1,625 residents.

The original City began development in what is now considered the downtown area. Portions of the downtown are designated as the Downtown Historic District, which is intended to foster the historic downtown as a unique commercial resource. As is typical, these older areas and older housing tend to be lower cost than newer areas and newer housing. These older city centers also tend to have the most multifamily and rental housing as these were the most efficient land use patterns at the time of development. As a result, the older areas often have higher proportions of affordable housing without subsidies and lower-income households. Similarly, today's new housing will be more affordable than housing built in 10 or 20 years.

In 1936, the City of Gilroy zoned the city into five distinctive districts: Single Family Residences; Multiple Family Residences; Business Districts; Industrial Districts; and Residential-Agricultural. The single-family district was located between Hanna, Princevalle, First, and Seventh Streets. The multiple-family residence district, which constituted an area approximately double that designated for single-family residences, was located between Egleberry and Hanna Streets, and First and Tenth Streets as well as a section to the east of Monterey Street between Old Gilroy and Lewis Street.²⁷

Residential development in Gilroy during the post-war period continued in the pattern established by early subdivision developers. Like many other cities in California, Gilroy's population continued to grow in the decade following the close of World War II, and the need for residential development required more space than the remaining undeveloped areas within the City limits could allow. To house Gilroy's many incoming residents, annexation of new territory by the mid-1950s was essential to keep pace with the steadily rising demand for housing.

By 1960, the population of Gilroy had soared to 7,348 persons, from 4,951 persons recorded in 1950. The influx of people to the City required even more newly annexed areas devoted to residential developments as well as supporting infrastructure like schools, parks, churches, and commercial centers. In 1965, the City annexed 750 acres of land, effectively increasing the area of the City by 50 percent during that year alone.²⁸ Many of these annexed regions were developed into modern residential neighborhoods.

²⁷ Eugene Lewis Conrotto. *The Urbanization of the Southern Santa Clara Valley: Gilroy*. (Gilroy, CA: Gilroy Historical Museum, 1951).

²⁸ San Jose Mercury-News. 1966.

The City expanded as the agricultural industry expanded, but in the late twentieth century, the economy shifted from agriculturally based to an urban service-oriented community.²⁹ This change in economy contributed to the growth of the City. Christmas Hill Park began construction in 1964.³⁰ By 1970, when the population of Gilroy had nearly doubled within the decade to 12,665 persons, there were approximately 3,000 residences.³¹ Several single-family homes were built in the surrounding neighborhoods in the following years, leading to the highest rates of population growth in the City's history in the 1970s and 1980s. The newer areas of the City are in the moderate resource category as the infrastructure and housing is more recently developed. The City continues to expand to the west with the recent Hecker Pass and Glen Loma Specific Plan areas.

Historically, other cities in Santa Clara County had racial covenants, which led to thriving immigrant communities settling in the City of Gilroy. This first included the Chinese population, which settled in Gilroy after immigrating to the United States to build railroads and work in gold mines, tobacco fields, and orchards.³² Since the migrations of the Chinese population to the central county, the Latino population has been largely responsible for the thriving businesses in Gilroy. Over 50 percent of Gilroy's current population is Hispanic.

The City has taken multiple steps to encourage economic revitalization and growth in the older, downtown areas of the City. The two tracts that are designated as R/ECAPs are each classified as an Opportunity Zone by the federal government and are eligible for a number of tax-based incentives. In 2022, Gilroy was awarded a \$3.9 million grant for improvements in the historic downtown area. In 2020, 2021 and 2023, the City operated a Downtown Improvement Incentive Program which included reductions on development fees and a grant to help fund minor façade improvements for businesses downtown. The City continues to partner with organizations such as Visit Gilroy, the Gilroy Downtown Business Association, and the Gilroy Chamber of Commerce to promote economic development in downtown Gilroy.

The City has also created several programs to encourage affordable housing and affordable-by-design housing in the higher resource western areas of the City. Program A-10 (Missing Middle / Middle Income Housing) will allow triplexes and fourplexes on corner lots in the R-1 and R-2 districts that currently include single-family homes. Programs A - 11 (Inclusionary Policy) and A - 12 (Incentives Beyond Density Bonus State Law) will facilitate deed-restricted affordable housing opportunities in the City's higher resource / higher income areas. Program E - 12 (Mixed-Use Corridor Flexibility) will allow flexibility for the non-residential portion of mixed-use projects that accommodate extremely low-income and Special Needs Households along the First Street Corridor. In addition, there are several programs intended to increase the number of ADUs in the higher resource western area of the City, including Program A - 6

²⁹ A Brief History of Gilroy. <https://www.cityofgilroy.org/381/History-of-Gilroy>

³⁰ The Mercury News, Gilroy Timeline. <https://www.mercurynews.com/2007/02/05/gilroy-timeline/>

³¹ Gilroy Chamber of Commerce. "Standard Industrial Survey Report: Gilroy, Santa Clara County, California." (Gilroy, CA: Gilroy Chamber of Commerce, March, 1969). Gilroy Historical Museum.

³² Gilroy Dispatch. <https://gilroydispatch.com/immigrants-play-big-part-in-gilroy-history/>

(ADU Tracking and Monitoring), A - 7 (ADU Pre-Designed Plans), A - 8 (Financial Incentives for Affordable ADUs), A - 15 (ADU Ordinance Updates), and G - 3 (ADU Education).

Urban Growth Boundary

Per the City's General Plan, "The Urban Growth Boundary (UGB) applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. The UGB indicates the extent and direction of the City's future urban expansion and capital improvements planning. Lands outside the UGB are to be preserved for rural and agricultural uses." (p. LU-15).

In 2016, voters passed Measure H, resulting in the UGB. The intent of the UGB is to protect agriculture and open space in the surrounding areas outside of the UGB. Urban development is not allowed outside of the UGB; only uses allowed in the open space designation per the General Plan are allowed. Until December 31, 2040, lands outside the UGB can only be redesignated by a vote of the people, except for the following exceptions in which "the City Council determines that doing so is necessary to comply with State law regarding the provision of housing for all segments of the community" and makes each of the following findings based on substantial evidence, per the General Plan:

- That the land proposed to be brought within the UGB and/or re-designated is immediately adjacent to: (i) the existing UGB; and (ii) available water and sewer connections; and
- That the proposed development will consist primarily of low and very low-income housing pursuant to the Housing Element of this General Plan;
- That there is no existing vacant or undeveloped residentially designated land within the UGB to accommodate the proposed development and it is not feasible to accommodate the proposed development by re-designating lands within the UGB for low- and very low-income housing; and
- That the proposed development is necessary to comply with State law requirements for the provision of low- and very low-income housing and the area of land within the proposed development will not exceed the minimum area necessary to comply with State law." (p. LU-22)

An analysis by the City attorney at the time of the vote estimated that this would yield a reduction of 2,929 potential units compared to the City's previous General Plan and 4,344 units to the draft General Plan update at the time.³³

The City also has an Urban Service Area (USA). The USA is the land to which the City is committed to providing basic infrastructure and services for urban development. The USA is

³³City Attorney's Impartial Analysis of Measure H. <https://sccvote.sccgov.org/sites/g/files/exjcpb1106/files/E110%20-%20Measure%20H.pdf>

generally coterminous with the UGB. The USA is reviewed and amended by the Local Agency Formation (LAFCO).

Fair Housing Issues, Contributing Factors, and Meaningful Action

The City has adopted goals and actions that specifically address the contributing factors identified in the AFFH analysis. While the City views all contributing factors as important, higher priority was given to factors that limit fair housing choice and/or negatively impact fair housing, per Government Code section 65583(c)(10)(A)(iv).

Table 57 on the following page displays the identified fair housing issue, contributing factor, actions taken to address the contributing factor, and priority level for each issue. Relevant programs are referenced in the action column for each contributing factor.

Table 57: Fair Housing Issues, Contributing Factors, and Proposed Action

Identified Fair Housing Issue	Contributing Factor	Action	Priority
Disproportionate Housing Needs	Risk of displacement in downtown Lack of missing middle housing Lack of affordable housing for special needs groups (large households, seniors, farmworkers)	• ADU education targeting high resource areas (A - 6) • Incentives for affordable ADUs (A - 8) • Facilitate Missing Middle / Middle Income Housing (A - 10) • <u>Coordination with Santa Clara County Office of Supportive Housing (A - 14)</u> • Permit streamlining (B - 5) • Incentivize micro-units (E - 5) • Develop incentives for housing for seniors, farmworkers, and large families (E - 6) • Development and conservation of housing for farmworkers (E - 7) • <u>Development and Rehabilitation of Housing for Persons with Disabilities (E - 10)</u> • <u>Housing for Extremely Low Income and Special Needs Households (E - 11)</u> • <u>Allow 100% Residential in the Downtown Expansion District and allow flexibility for First Street Mixed-Use Corridor projects that accommodate extremely low-income and Special Needs Households (E - 12)</u> • Fair housing counseling (F - 2) • Place-based economic investments in downtown (F - 3) • Displacement prevention ordinance (F - 5)	High
Access to Opportunities	Presence of a R/ECAP Lower access to opportunities than the County as a whole	• Facilitate Missing Middle / Middle Income Housing (A - 10) • Adoption of inclusionary housing policy (A - 11) • Incentives beyond Density bonus state law (A - 12) • <u>SB 9 Processing (A - 16)</u> • Permit streamlining (B - 5) • Source of income protection / housing mobility (F - 1) • Place-based economic investments in downtown (F - 3)	High

Identified Fair Housing Issue	Contributing Factor	Action	Priority
	Lack of missing middle / middle income housing	Targeted outreach in higher resource areas (F - 4)	
<u>Integration and Segregation</u>	<u>East/west income segregation</u> <u>Lack of inclusionary housing policy</u>	<u>Incentives for affordable ADUs (A - 8)</u> - Facilitate Missing Middle / Middle Income Housing (A - 10) <u>Adoption of inclusionary housing policy (A - 11) to require development of affordable housing on the west side</u> <u>Creation of incentives beyond density bonus state law (A - 12) to encourage development of affordable housing on the west side</u> <u>Source of income protection (F - 1)</u>	<u>Medium</u>
Outreach and Enforcement Capacity	Access to materials in appropriate languages Lack of education and outreach in the R/ECAP area City staff capacity	- Fair housing counseling (F - 2) - Targeted outreach in moderate and high resource areas (F - 4) - Interagency collaboration for lower cost housing (G - 1) - Community access to housing information program (G - 5) - Unhoused population education and outreach (G - 6) - Bilingual engagement (G - 7)	Low

Table 58 provides a detailed overview of actions included in Housing Element Programs that are aimed at affirmatively furthering fair housing. The table separates the actions by their identified fair housing issue and priority level. It summarizes the specific commitment, timeline, geographic targeting, and metric for each program.

Table 58: AFFH Actions Matrix

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
Disproportionate Housing Needs				
A - 6: ADU Tracking and Monitoring and Ordinance Updates	Continuously track the number of building permits issued for ADUs. The City will <u>also</u> review geographic distributions of ADUs biennially. <u>If the average ADU production is less than 25 units in years 2023, 2024, and 2025, the City will update the ADU strategy by the end of 2026. In this case, the City will hold a focus group event with local stakeholders in spring or fall 2026. The purpose of the collaborative meeting will be to identify appropriate ADU programs to help increase production. If necessary, the City will identify additional RHNA sites in No Net Loss Inventory, as discussed in Program A - 1.</u>	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process. <u>Hold a focus group event with local stakeholders in spring or fall 2026 if average ADU production is less than 25 in years 2023, 2024, and 2025. Identify additional programs or sites within six months of shortfall.</u>	High Resource Areas	Increase the number of new ADUs permitted in the City from an average of approximately 15.75 (2018-2021) to an average of approximately 25.
A - 8: Financial Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. <u>If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development. This effort will complement Program A-6 (ADU Tracking and Monitoring)</u> The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact Community Development Financial Institutions for potential partnerships.	After program funding is secured and sufficient for the intended purpose. <u>Evaluate the effect of impact fees on ADU development by Q4 end of 2026 if ADU production is lower than anticipated in year 2025.</u>	High Resource Areas	Outreach to provide information to 30 households annually.
A - 10: Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow triplexes, and fourplexes to be approved ministerially <u>on corner lots with a minimum 6,000 sf lot size in the R1 and R2 zones (approximately 1,106 lots)</u> so long as the project complies with objective design standards. <u>This Program provides more flexibility than SB 9, by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.</u> <u>Update the City's SB 9 policy and website to reflect the changes allowed under this program. Create an informational and promotional pamphlet regarding opportunities to develop triplexes and fourplexes on corner lots in R1 and R2 zones. Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).</u>	<u>By end of Q4 2024.</u>	<u>Citywide</u>	Increased production and reduced permitting time and cost for triplexes and fourplexes. <u>Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 6th Cycle planning period.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
A - 14: Coordination with Santa Clara County Office of Supportive Housing	The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This includes the offer of impact fee waivers through a memorandum of understanding approved by the Gilroy City Council and the County Board of Supervisors in September 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups).	Continual partnership throughout the planning period. Anticipated completion of project by the end of 2028.	Citywide	Development of affordable housing on the 8 th and Alexander property by the end of 2028.
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process; and • <u>Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition).</u> • <u>Streamlining the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council.</u> Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining, such as AB 2234.	Concurrent with the comprehensive Zoning Ordinance update, <u>end of Q4 2023.</u>	Citywide	Decreased permit processing time.
E - 5: Incentivize Micro-Units	Ensure that provisions for efficiency units are consistent with AB 352 (2017). <u>concurrent with the comprehensive Zoning Ordinance update by the end of Q4 2023.</u> Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-unit development, <u>by the end of 2025.</u>	<u>Within one year of Housing-Element adoption By end of Q4 2023 and 2025.</u>	Citywide	Adopt the policy.
E - 6: Reduced Parking Requirements for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing is appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing. The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of public transit.	<u>Within 3 years of Housing-Element adoption By end of Q4 2026.</u>	Citywide	Conduct study and revise Zoning Ordinance, as necessary.
E - 7: Development and Conservation of Housing for Farmworkers	<u>In 2022, the City partnered with the Santa Clara County Office of Supportive Housing, to facilitate lower-income housing on a County owned property by waiving development impact fees for the project.</u> The City shall continue to partner with the Santa Clara County Office of Supportive Housing and various nonprofit organizations to explore and implement ways of providing affordable farmworker housing, including identification of state and federal funding opportunities. <u>At least once a year, the City will forward information about surplus City-owned land and other development opportunities to the Santa Clara County Office of Supportive</u>	Ongoing throughout planning period	Citywide	Preserve and maintain the <u>3</u> farmworker housing developments (<u>56</u> units) and Ochoa Migrant Center (100 units).

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<u>Housing, affordable housing developers, and service providers who may be interested in developing more farmworker housing in Gilroy. The City will also provide this information at the annual developer roundtable and to individuals on the housing developer list, created through Program G - 1.</u>			
E - 10: <u>Development and Rehabilitation of Housing for Persons with Disabilities</u>	<u>As part of the 2023 comprehensive Zoning Code update, the City will evaluate reasonable accommodation standards and procedures and the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones. The City will revise, as necessary, regulations that act as potential constraints to accommodating persons with disabilities.</u>	<u>By end of Q4 2023.</u>	<u>Citywide</u>	<u>Evaluate and revise as necessary reasonable accommodation standards and procedures and permit requirements for residential care homes.</u>
E - 11: <u>Housing For Extremely Low Income and Special Needs Households</u>	<u>The City will facilitate and support affordable housing by meeting with potential affordable housing developers and homeless service providers to identify development opportunities, provide site information, assist in the entitlement processes, and consider on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards.</u> <u>As included in Program G - 1, the City will conduct proactive outreach to specifically include developers of housing for special needs and low-income households in the annual developer roundtable.</u> <u>Additionally, the City will pursue funding sources, such as use of PLHA funds, to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities, including developmental disabilities. The City will consider using PLHA funding for eligible activities, including the predevelopment, development, acquisition, rehabilitation and preservation of affordable housing.</u>	<u>As applications are received.</u> <u>Annual developer roundtable.</u> <u>Pursue funding sources as they are made available.</u>	<u>Citywide</u>	<u>Outreach to affordable housing developers at least bi-annually (4 times over the planning period) when PLHA funds become available.</u>
E - 12: <u>Downtown Expansion District and First Street Mixed-Use Corridor Flexibility</u>	<u>The City will develop a process to allow 100% residential projects in the Downtown Expansion District. The City will also create a process that allows flexibility in the type of non-residential uses allowed in the new First Street Mixed-Use Corridor, subject to certain criteria. In exchange for this flexibility, the City may require that a certain percentage of units are dedicated to extremely low-income households, farmworkers, persons with disabilities, or other identified groups. The intent of this program is to facilitate and encourage housing for extremely low income and special needs households.</u>	<u>Amendments by end of Q4 2025</u>	<u>Downtown Expansion District, First Street Mixed-Use Corridor</u>	<u>Adopted zoning amendments. Facilitation of 100 units using the adopted process in the planning period.</u>
F - 2: <u>Fair Housing Counseling</u>	<u>The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling.</u> <u>The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.</u>	<u>Annual or biennial award of funds. Provision of pamphlets by Q4 2024 within one year of Housing Element adoption.</u>	<u>Downtown</u>	<u>Work with Fair Housing Provider to track number of households assisted in Gilroy annual. Provide information to 30 households annually.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
F - 3: Place-Based Improvements in Downtown Gilroy	<u>Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include:</u> <u>As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign.</u> <u>As a part of downtown revitalization, the City will construct a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown.</u> <u>As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million)</u> <u>As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy.</u> <u>The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City.</u> <u>The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets</u>	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space should be complete by the end of 2023.	Downtown	Construction of one parking lot with a community event space; reconstruction of 20 curb ramps.
F - 5: Displacement Prevention Policy	Adopt a displacement prevention policy. Organize a focus group of organizations with experience in displacement prevention policies (e.g., SV@Home) and complete an analysis of best practices in jurisdictions that are similar to Gilroy. Measures that are being considered for inclusion in the policy are "tenant option to purchase agreements" for redevelopment projects meeting specified thresholds, a just cause eviction ordinance, and relocation agreements. <u>Through Program B-7, the City will amend the Zoning Ordinance to require that any demolished residential units on the Sites Inventory be replaced pursuant to Government Code Section 65583.2(g).</u>	Hold focus group and complete analysis <u>within two years of Housing Element adoption by end of Q4 2025</u>. Adopt policy <u>by end of Q4 2026</u>.	Areas denoted above as having vulnerability to displacement	Adopt the policy.
Access to Opportunities				

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
A - 10: <u>Facilitate Missing Middle / Middle Income Housing</u>	Amend the City Code to allow triplexes, and fourplexes to be approved ministerially on corner lots with a minimum 6,000 sf lot size in the R1 and R2 zones (approximately 1,106 lots) so long as the project complies with objective design standards. <u>This Program provides more flexibility than SB 9, by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.</u> <u>Update the City's SB 9 policy and website to reflect the changes allowed under this program. Create an informational and promotional pamphlet regarding opportunities to develop triplexes and fourplexes on corner lots in R1 and R2 zones. Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).</u>	<u>By end of Q4 2024.</u>	<u>Citywide</u>	Increased production and reduced permitting time and cost for triplexes and fourplexes. <u>Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 6th Cycle planning period.</u>
A - 11: Inclusionary Housing Policy	Conduct an inclusionary housing feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market the below market-rate units and accessible/adaptable units.	By the end of 2024.	Citywide	Increased production of affordable housing within the City, including housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resource areas of the City.
A - 12: Incentives Beyond Density Bonus State Law	Study and consider adopting a density bonus ordinance above and beyond the minimum requirements of state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low income households, <u>and farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided.</u>	<u>Within 2 years of Housing Element adoption By end of Q4 2025.</u>	Citywide	Adoption of Zoning Ordinance amendment; Increased housing choice and mobility for special needs households.
A - 16: <u>SB 9 Processing</u>	<u>In conjunction with Program A-10 (Facilitate Missing Middle / Middle Income Housing), the City will update its SB 9 webpage to highlight the streamlined process for approving SB 9 applications. The City will also create and post step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy.</u> <u>The Planning Department will hold informational meetings with the building division and engineering/land development division to review the streamlined process to ensure the City complies with state law.</u>	<u>By end of Q4 2024.</u>	<u>Citywide</u>	<u>Update SB 9 webpage; c:</u> <u>Create instructions for processing SB 9 units and lot splits; h:</u> <u>Hold informational meetings with building and engineering/land development divisions.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
B - 5: Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process; and • <u>Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition).</u> • <u>Streamlining the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council.</u> Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining, such as AB 2234.	Concurrent with the comprehensive Zoning Ordinance update, <u>end of Q4 2023.</u>	Citywide	Decreased permit processing time.
F - 1: Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.	<u>Informational outreach by end of Q4 2024</u> Outreach to 50 landlords or tenants annually.	Downtown	Conduct workshop with residents.
F - 3: Place-Based Improvements in <u>Downtown Gilroy</u>	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: • As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. • As a part of downtown revitalization, the City will construct a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. • As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) • <u>As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy.</u> • <u>The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements</u>	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space should be complete by the end of 2023.	Downtown	Construction of one parking lot with a community event space; <u>Reconstruction of 20 curb ramps.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	<u>may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City.</u> <u>The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets</u>			
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: - Allow triplexes and quadplexes that meet objective design standards to be approved ministerially <u>on corner lots in the R1 and R2 zones</u> (Program A-10). - Adopt an inclusionary housing policy (Program A-11) Adopt a incentives beyond density bonus state law policy to include incentives for special needs households (Program A-12)	<u>Within 3 years of Housing Element adoption By Q2 2025.</u>	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies.
Integration and Segregation				
A - 8: Financial Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. <u>If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development. This effort will complement Program A-6 (ADU Tracking and Monitoring)</u> The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact Community Development Financial Institutions for potential partnerships.	<u>After program funding is secured and sufficient for the intended purpose. Evaluate the effect of impact fees on ADU development by Q4 end of 2026 if ADU production is lower than anticipated in year 2025</u>	High Resource Areas	Outreach to provide information to 30 households annually.
A - 10: <u>Facilitate Missing Middle / Middle Income Housing</u>	Amend the City Code to allow triplexes, and fourplexes to be approved ministerially <u>on corner lots with a minimum 6,000 sf lot size in the R1 and R2 zones (approximately 1,106 lots)</u> so long as the project complies with objective design standards. <u>This Program provides more flexibility than SB 9, by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.</u> <u>Update the City's SB 9 policy and website to reflect the changes allowed under this program. Create an informational and promotional -pamphlet regarding opportunities to develop triplexes and fourplexes on corner lots in R1 and R2 zones. Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).</u>	<u>By end of Q4 2024.</u>	<u>Citywide</u>	Increased production and reduced permitting time and cost for triplexes and fourplexes. <u>Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 6th Cycle planning period.</u>

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
A - 11: Inclusionary Housing Policy	Conduct an inclusionary housing feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market the below market-rate units and accessible/adaptable units.	By the end of 2024.	Citywide	Increased production of affordable housing within the City, including housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resource areas of the City.
A - 12: Incentives Beyond Density Bonus State Law	Study and consider adopting an affordable housing incentives policy above and beyond the minimum requirements of density bonus state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate incentives / density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided.	By end of Q4 2025. Within 2-years of Housing Element adoption	Citywide	Adoption of Zoning Ordinance amendment; increased housing choice and mobility for special needs households.
F - 1: Source of Income Protection	Within one year, coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility.	Informational outreach within one-year of Housing Element adoption by end of Q4 2024. Annual education and outreach to landlords and tenants.	Downtown	Outreach to 50 landlords or tenants annually.
Outreach and Enforcement Capacity				
F - 2: Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish.	Annual or biennial award of funds. Provision of pamphlets by end of Q4 2024 within one-year of Housing Element adoption.	Downtown	Annual or biennial award of funds. Provision of pamphlets by Q2 2024 within one-year of Housing Element adoption. Work with Fair Housing Provider to track number of households assisted in Gilroy annually. Provide information to 30 households annually.
F - 4: Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions:	Within 3-years of Housing Element adoption By Q2 2026.	Higher Opportunity Areas	Adopt density bonus and inclusionary housing policies.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	- Allow triplexes and quadplexes that meet objective design standards to be approved ministerially <u>on corner lots in the R1 and R2 zones</u> (Program A-10). - Adopt an inclusionary housing policy (Program A-11) - Adopt an incentives beyond density bonus state law policy to include incentives for special needs households (Program A-12)			
G - 1: Collaboration with Development Community	The City shall continue to cultivate <u>new and existing</u> relationships, <u>throughout the planning period</u>, with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development. <u>Invite affordable housing developers and developers of housing for special needs households to the annual developer roundtable meeting.</u> <u>The City will create a list of housing developers, including developers of affordable and special needs housing. The list will be used for the annual developer roundtable (or equivalent), and to advertise development opportunities, funding opportunities, and other educational and engagement efforts in the City.</u>	Collaboration with other agencies on an annual basis.	Countywide	Host an annual developer roundtable <u>(or equivalent)</u> meeting. <u>Participation of at least four developers of affordable and special needs housing in the annual meeting. Creation of developer interest list by end of Q4 2024.</u>
G - 5: Housing Outreach and Information	The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as: <u>Conducting workshops and webinars by partnering with community-based organizations to inform residents of housing resources, assistance programs, and funding opportunities, on a monthly basis on average.</u> - Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. - Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. - Coordinating with the City's Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area.	Update the City website with housing information as new resources become available. Annual housing event in the DTSP area. <u>Conduct community outreach workshops on housing resources on a monthly basis on average.</u>	Downtown Specific Plan Area	Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually.
G - 6: Unhoused Population Education and Outreach	The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population. Specifically, the program will include: - Creation of a dedicated webpage with information on <u>unhoused resources and efforts.</u> - Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. - Gathering information on resources that exist in the City and County for the unhoused population and promote the information at City Hall and on the City's	<u>By end of Q4 2025 18 – 24 months after Housing Element adoption;</u> monthly meetings of the unhoused service providers group.	City-wide, Eastern Gilroy, R/EACAP	Minimum of 3 medium of outreach. Scheduled service provider meetings throughout the planning period.

HE Programs or Other Activities	Specific Commitment	Timeline	Geographic Targeting	2023 – 2031 Metric
	website. This information will also be provided through the various outreach methods in Program G - 5. • <u>Revamping</u> the unhoused service providers <u>network</u> which consists of monthly meetings with <u>direct unhoused</u> service providers in the City. <u>The network serves to increase collaboration and partnership among service providers and the City, to connect the unhoused with services.</u> The <u>monthly meetings</u> serve to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts.			
G - 7: Bilingual Engagement	Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5. In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.	Immediately upon adoption of the Housing Element.	Eastern Gilroy, R/EACAP	Minimum of 3 medium of outreach. Monthly service provider meetings throughout the planning period.
G - 8: Help Center Webpage	<u>In partnership with local nonprofit organizations, the City will develop a Housing Help Center webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid. This webpage will consolidate existing information on the City's website with additional information provided by local service providers to best serve the needs of the Gilroy community.</u>	<u>By end of Q4 2024</u>	Citywide	<u>The City will advertise the Housing Help Center to at least 100 residents each year through the City's community outreach efforts.</u>

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE CONSTRAINTS ON HOUSING

Constraints on Housing

There are a wide variety of factors that influence whether, where, when, how, and what type of housing is constructed. While many factors enable, guide, and even incentivize housing construction, almost all also pose some sort of limitation or constraint as well. Land use policies and regulations are necessary but, by definition, establish limits on growth and development. These limits work with, influence, and are balanced by market forces.

There are generally two types of constraints: governmental and nongovernmental. Governmental constraints include the policies, regulations, and procedures that directly affect housing. This includes the goals, policies, and programs of the General Plan and the development standards and requirements of the Zoning Ordinance and other land use ordinances. Nongovernmental constraints include those factors that are beyond the direct control and authority of the City.

This section identifies and evaluates those factors that may pose significant constraints or burdens that may limit or constrain the production of housing to meet local and regional housing needs and the goals and objectives of the General Plan. Such constraints, particularly those that limit the construction of or fair access to affordable housing, must be addressed with clear, measurable, and timely programs.

Governmental Constraints

Governmental constraints can limit or deter the operations of the public, private, and nonprofit housing development sectors, make it difficult to meet the demand for housing, and limit housing supply in a region. Such constraints can limit access to housing mobility and housing choice or prevent lower-income segments of the population from having adequate housing opportunities. Governmental constraints may include, but are not limited to, land use controls, development standards, local processing and procedures, and permitting fees.

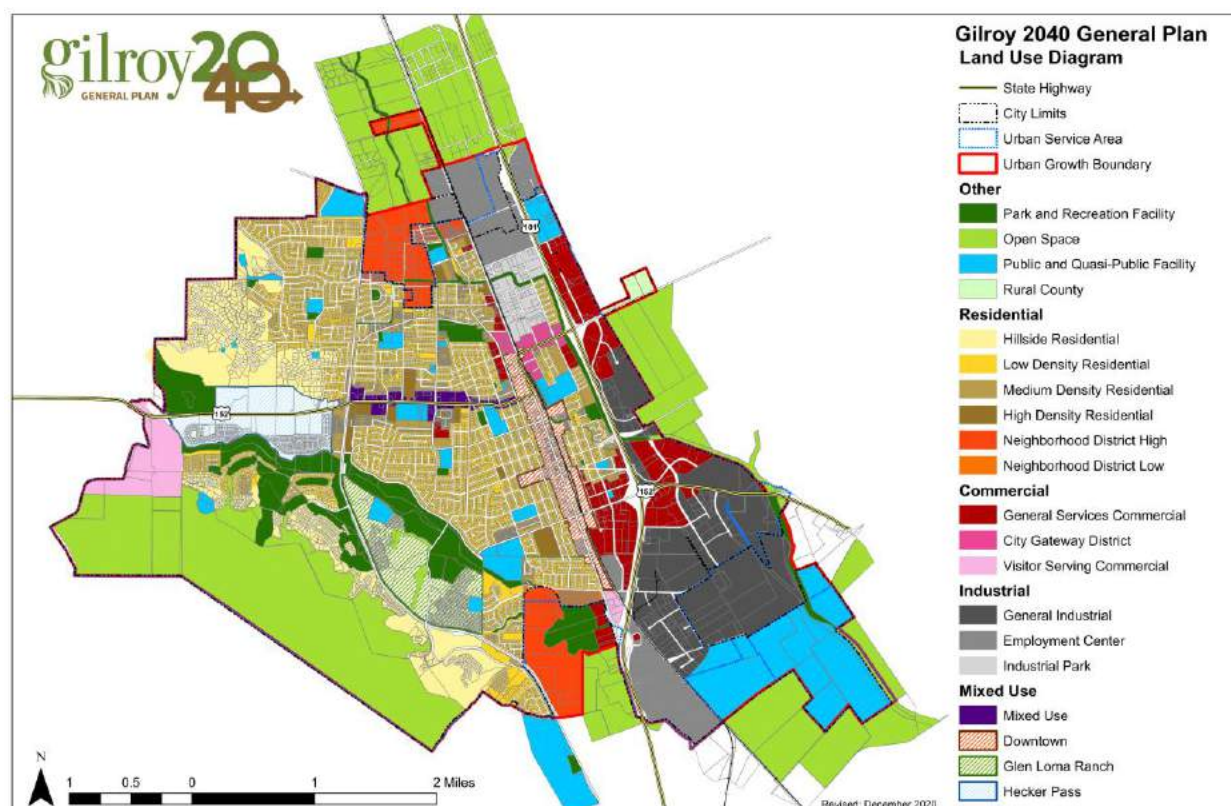
Land Use Controls

General Plan

The City of Gilroy adopted an updated General Plan in November 2020. The Gilroy 2040 General Plan is a comprehensive, long-range general policy document that expresses the community's vision and establishes eight guiding principles for development. One of the guiding principles includes encouraging a mix of housing types to create diverse neighborhoods to meet the needs of all residents. Among other efforts, the Gilroy 2040 General Plan allows for an increase in housing by creating a new Mixed-Use land use designation and removing the maximum density specified for the High-Density Residential land use area. The Land Use Element of the General Plan identifies the location, distribution, density, and intensity of land use within the City. The Environmental Impact Report (EIR) for

the 2040 General Plan analyzed the development potential of the plan for up to 6,477 new housing units and an additional population of 19,756.³⁴

Figure 44: Gilroy Land Use Map



There are seven residential land use designations in the Gilroy General Plan, as follows:

- **Hillside Residential (HR):** This designation is generally applied to developable hillside areas with slopes of 10 percent to 30 percent. Developments in these areas must follow special design and siting criteria to preserve the sensitive hillside environment together with the views and vistas of surrounding hillsides, hilltops, and ridgelines. The permitted density is 0 to 4 dwelling units per net acre (du/ac). The implementing zone is the Residential Hillside (RH) district.
- **Low Density Residential (LDR):** This is the most common residential land use designation in Gilroy. It is applied to areas of predominantly single-family detached dwellings, with typical lot sizes ranging from 5,000 square feet to 7,000 square feet. Appropriate residential uses include single-family detached homes and secondary ("accessory") dwelling units (ADU) that comply with City standards. The permitted density is 3–8 du/ac. The implementing zones are R1 and R2.

³⁴Final Gilroy 2040 General Plan EIR. <https://www.cityofgilroy.org/DocumentCenter/View/11308/Draft-EIR---Gilroy-2040-General-Plan-?bidId=>

- **Medium Density Residential (MDR):** This designation is intended primarily for multifamily attached structures (townhomes, condominiums, and apartment buildings). Buildings are typically two to three stories tall. This designation is typically applied to transition areas between lower-density neighborhoods and higher-density developments or commercial areas. The permitted density is 8–20 du/ac. The implementing zone is R3. While the R3 zone currently only allows 8–16 du/ac, it will be updated in the comprehensive zoning update to allow for 8–20 du/ac (Program B - 2).
- **High Density Residential (HDR):** This designation allows higher density attached housing types (apartments and condominiums), often within walking distance of commercial areas. The predominant housing type is multifamily dwellings, such as apartments or condominiums, with buildings typically comprising two or more stories. The permitted density is 20+ du/ac, with no maximum density or floor area ratio (FAR) requirements. The implementing zone is R4. The R4 zone currently allows for 20–30 du/ac, and the upper limit will be removed in the ongoing comprehensive Zoning Ordinance update to ensure consistency with the General Plan (see Program B - 2).
- **Mixed Use (MU):** The purpose of this designation is to encourage a mix of retail, office, and high-density residential uses. Mixed-use could also include mixed-use commercial (e.g., retail and office). Multi-story structures and more intense uses should be located at major intersections and lower intensity uses, adjacent to neighborhoods. Street-level frontage of mixed-use projects shall be developed with pedestrian-oriented, typically commercial, uses. Residential uses can be integrated on the same site with other uses in either a vertical or horizontal design. Stand-alone residential uses are not allowed. The permitted density is a minimum of 20 and a maximum of 30 du/ac. The implementing zones are within the Downtown Specific Plan area and the mixed-use corridor along First Street. As a part of its comprehensive code update, the City is in the process of creating a zoning district for the mixed-use First Street corridor with the anticipated completion in 2023 (Program B - 2). Any mixed-use development within the First Street mixed-use corridor will be entitled in accordance with the development standards set forth in the Zoning Ordinance and the density allowance per the 2040 General Plan. The design of projects will be subject to the City's existing objective development design standards until the First Street Corridor mixed-use design and development standards are adopted.
- **Rural County (RC):** The purpose of this designation is to preserve rural residential, hillside, and productive agriculture land uses located outside areas planned for urban development. Allowed uses include rural residential, grazing, active agricultural production, associated agricultural processing, sales, and support uses. Typical building types include low-intensity structures associated with farming and agricultural processing and sales. One single dwelling unit per parcel is allowed. The implementing zone is RR.

- **Neighborhood District (ND High, ND Low):** The purpose of these designations is to encourage compact, complete, neighborhood-style development. Traditional single-family uses will comprise a substantial portion of these districts. Commercial and medium- to high-density residential uses should be clustered to form neighborhood centers. Neighborhood District High and Low may use a Neighborhood Commercial (NC) designation to designate land in neighborhood centers to encourage low-intensity commercial uses that cater directly to residents in the immediate neighborhood. The 0–7 du/ac category is intended for single-family detached dwellings with varying lot sizes. The 7–9 du/ac category is intended for a combination of two-family and some single-family detached dwellings. The 9–16 du/ac category is intended to accommodate a combination of small-lot and attached single-family dwellings, as well as multifamily dwelling options. The 16–30 du/ac category is intended to provide a variety of attached single-family and multifamily residential styles of development. The implementing zone is ND.
 - The Neighborhood District land use designation is generally applied to vacant land that is currently outside the City's Urban Service Area (USA) but within the City's Urban Growth Boundary (UGB) area. The UGB area applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. There are two designated neighborhood districts, one in the north and one in the south, that are currently outside of the USA. The City is in the process of requesting approval from the Santa Clara County Local Agency Formation Commission (LAFCO) to bring approximately 54 acres of unincorporated county land into the City's USA. The land is located just outside City limits to the north. The City also received a preliminary application for a USA amendment for land located just outside City limits to the south. If the USA is amended and the land is eventually annexed into the City (a lengthy two-step process), the property would be subject to the City's inclusionary policies for the Neighborhood District.
 - Each Neighborhood District development is required to construct a minimum of 15 percent of its units at affordable prices. Specific requirements regarding the level of affordability were contained in the City's Residential Development Ordinance (RDO) policy. However, this policy is no longer in effect due to state legislation (e.g., Senate Bill [SB] 330) and the implementing ordinance will be repealed in accordance with Program B - 1. To ensure compliance with state law, and provide more comprehensive affordability benchmarks, Program A - 5 is included to review and revise the Neighborhood District Policy. Program A - 11 will include analyzing potential adoption of an Inclusionary Housing Policy that would apply to properties outside the Neighborhood District planning area.
 - Table 59 displays the target densities for both low and high Neighborhood District designations. Neighborhood Districts include the Hecker Pass Specific Plan area and the Glen Loma Ranch Specific Plan area, which are both under development in the planning period. The rows denote the maximum or

minimum percentages of the land area within this land use designation that must fall within the specified density.

- Neighborhood District target densities and inclusionary requirements may act as a potential constraint to housing; however, the City has found that they do not discourage development. As a part of Program A - 5, the City is revising Neighborhood District standards to no longer rely on the RDO and is updating the Neighborhood District's inclusionary housing policy.

Table 59: Neighborhood District Target Densities

	0-7 du/ac	7-9 du/ac	9-16 du/ac	16-30 du/ac
Low	82% max.	5% min.	10% min.	3% min.
High	60% max.	5% min.	25% min.	10% min.

Source: City of Gilroy 2040 General Plan.

Hecker Pass Specific Plan

The Hecker Pass Specific Plan projects the development of 521 housing units. The Specific Plan designates three "clusters" for residential development: North Cluster (57 units), West Cluster (205 units), and East Cluster (259 units). The Specific Plan aims to provide a variety of housing types in each cluster, but offers some flexibility in how that variety is achieved. The Specific Plan gradually transitions the intensity of development from the Village Green project into the Specific Plan area, with more intensive development on the eastern side of the plan as it moves from rural to urban. The Hecker Pass Specific Plan was approved before inclusionary housing policies were adopted, and thus was not subject to the Neighborhood District Policy's affordable housing requirement.

Glen Loma Ranch Specific Plan

The Glen Loma Ranch Specific Plan area is approximately 392 acres located between Santa Teresa Boulevard and the Uvas Creek corridor. The project includes a maximum of approximately 1,693 residential units in up to 17 neighborhoods comprising detached single-family residences, attached townhomes, apartments, and senior-only units. Under the Neighborhood District Policy, 15.1 percent of units will be affordable to very low-, low-, and moderate-income households.

Downtown Specific Plan

The Downtown Specific Plan contains six districts with the purpose of creating a pedestrian-oriented and economically vibrant downtown. Adopted in 2005, the Downtown Specific Plan anticipated potential for development of 1,576 new residential units over 20 years. Mixed uses and residential development above the ground floor are encouraged in the Downtown Specific Plan. The Downtown Specific Plan allows 100 percent commercial use in all of its zones. Mixed-use residential is encouraged but not required and could include mixed-commercial (e.g., retail and office). Although 100 percent commercial use is allowed, City staff have not seen a demand

for new 100 percent commercial projects. The exception to this is new commercial uses occupying existing commercial buildings that don't require significant upgrades. Residential dwelling units are permitted by-right in all Downtown Specific Plan districts, on the second story and above.

Downtown Historic District (DHD)

This district is suitable for the improvement and maintenance of existing commercial structures or the conversion to or construction of new mixed-use development. Residential mixed-use projects are encouraged. The Downtown Historic District allows commercial and mixed-use projects, both of which have a maximum FAR of 2.5. The minimum density for the residential component of mixed-use projects is 20 du/ac. Residential units are permitted by-right on the second story or above in the Downtown Historic District. A conditional use permit is required for residential uses on the first floor.

Downtown Expansion District (DED)

This district is suitable for the improvement and maintenance of existing commercial structures or the construction of or conversion to new mixed-use development. Residential mixed-use projects are encouraged. The Downtown Expansion District allows commercial and mixed-use projects, both of which have a maximum FAR of 2.5. The minimum density for the residential component of mixed-use projects is 20 du/ac. Residential units are permitted by-right on the second story or above in the Downtown Expansion District. A conditional use permit is currently required for residential uses on the first floor.

Approximately 29.9 percent of the very low-income opportunity site units and approximately 44.9 percent of the moderate-income opportunity site units are located in the City's Downtown Expansion District (20.4% and 44.9%) and First Street Corridor District (9.5% and 0%). To increase the likelihood that sufficient RHNA units are built in these two districts, the City added Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility). This Program will allow 100 percent residential projects in the Downtown Expansion District and flexibility for non-residential units in the First Street Mixed Use Corridor, should projects meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

Civic/Cultural Arts District (CCA)

This district is suitable for the development of new multi-use civic, cultural and civic-serving uses. The Civic/Cultural Arts District also allows commercial and mixed-use projects. Residential mixed-use projects are encouraged but not required. Residential units may be allowed on the ground floor if they are located between Egleberry Street and Church Street and behind a business. From Monterey Street to Church Street, commercial and mixed-use projects have a maximum FAR of 1.5, and from Church Street to Dowdy Street there is a maximum FAR of 1.0.

Transitional District (TD)

This district is suitable for the conversion of existing residential structures to commercial uses and for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a maximum FAR of 1.5. Stand-alone residential projects are at most 20 du/ac.

Cannery District (CD)

This district is suitable for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a FAR of 2.0. The minimum density for the residential component of mixed-use projects is 20 du/ac. Stand-alone residential projects must develop at a density ranging from 20 to 40 du/ac.

Gateway District (GD)

This district is suitable for the development of new mixed-use and stand-alone residential projects. Commercial and mixed-use projects have a maximum FAR of 0.75. Stand-alone residential projects can be developed at 30 du/ac.

Downtown Specific Plan Development Standards

Table 60 displays the allowable densities and development standards in each of the Downtown Specific Plan districts. The districts also generally have very permissive development standards, including zero-foot minimum setbacks, and height limits of 50 feet or 4 stories in all areas not fronting Railroad Street.

The passing of Assembly Bill (AB) 2097 will reduce constraints to development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within one half-mile of high-quality public transit. Prior to the passage of AB 2097, the Downtown Specific Plan area already had lower parking requirements than other residential areas in the City. For projects not subject to AB 2097, the parking requirements for residential units are 1 space per unit and 1 guest space per 6 units for units that are up to 800 square feet. If greater than 800 square feet, the requirement is 1.5 spaces per unit and 1 guest space per 4 units. Parking standards are often a potential constraint to development. However, in Gilroy, they are appropriate and not excessive, given Gilroy's suburban context outside urban job centers to the north.

Table 60: Downtown Specific Plan Development Standards

District	Lot Requirements Lot Size in Square Feet (min)	Yard Requirements (Setbacks in Feet Measured from Property Line) (min/max)				Height Requirements (max)		FAR	Density	Building Form	
		Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Feet ⁶	Stories ⁷			Street Front Building Height (Min Feet)	Third and Fourth Floor Setback Required
Downtown Historic District (DHD)	N/A	0/15	0/10 ¹	0/none ²	0 ³ /none	50	4	2.5	20 du/ac (min)	25	Yes
Downtown Expansion District (DED)	N/A	0/15	0/10 ¹	0/none ²	0 ³ /none	50	4	2.5	20 du/ac (min)	25	Yes
Civic/Cultural Arts District (CCA)	N/A	0/none	0/none ¹	0/none ²	0/none	50	4	-	N/A ⁸	25	Yes
Transitional District (TD)	N/A	-	-	-	-	40	3	1.5 ⁵	20 du/ac (max)	N/A	No
Cannery District (CD)	N/A	0/15	10/none ¹	0/10	0/none	50	4	2.0 ⁵	20-40 du/ac (min/max)	25	No
Gateway District (GD)	N/A	15/none	15/none	15/none	10/none	40	3	0.75 ⁵	30 du/ac (max)	N/A	No

Table 61: Downtown Specific Plan Development Standards (Special Circumstances)

District	Eigleberry Street to Church Street				Church Street to Dowdy Street				East of Eigleberry Street				West of Eigleberry Street			
	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear	Front	Side (Adjacent to Street)	Side (All Other Side Yards)	Rear
<u>Civic/Cultural Arts District (CCA)</u>	0/10	10/non e	0/10	10/non e	20/non e	10/non e	10/non e	10/non e	=	=	=	=	=	=	=	=
<u>Transitional District (TD)</u>	=	=	=	=	=	=	=	=	0/15	10/non e ¹	0/none ²	0/5	15 ⁴ /none	10/non e	5/none	10/none

Source: City of Gilroy Zoning Ordinance

¹ To be reviewed for vehicular sight distance.

² To be reviewed by staff to ensure compliance with urban design principles.

³ Rear yard setback for parcels east of Monterey Street, between Lewis and Seventh is 51 feet to accommodate drive access and parking.

⁴ Ten-foot setback to property line allowed with a porch.

⁵ Use floor area ratio to determine project size for commercial and mixed-use development and use residential density to determine project size for stand-alone residential development. Residential use is only allowed as part of a mixed use development within the DHD, DED and CCA districts. Standalone (multifamily) residential development is only allowed within the CD, GD and TD districts. See Article XIV for additional specifications.

⁶ The planning division manager may approve architectural features such as tower elements, elevator service shafts, and roof access stairwells which extend up to 10 percent above the height limit.

⁷ New buildings should be no more than two stories higher or lower than neighboring buildings. If higher or lower buildings are desired, the massing should be stepped so as to create a smooth transition.

⁸ No min/max density. See Downtown Specific Plan for additional specifications. Residential apartments, townhomes, and live/work units above/behind ground floor are only allowed between Eigleberry Street and Church Street.

Zoning Ordinance

The Zoning Ordinance, Chapter 30 of the Gilroy City Code, is the primary tool for implementing the land use designations in the Gilroy 2040 General Plan. The Zoning Ordinance provides controls over land use. The following discussion represents standards in the Gilroy Zoning Ordinance as of April 2023. In conformance with the 2040 General Plan and current state housing law, a comprehensive update of the Zoning Ordinance is anticipated to be complete by the end of 2023. As such, some existing standards identified in this analysis will be updated with the new Zoning Ordinance and in accordance with state law. Known instances are noted and the appropriate programs are referenced. Existing residential development standards are shown in Table 62.

The City's General Plan allows for a range of densities and housing types to meet the needs of all income levels. AB 2348 established "default" density standards. If a local government has adopted density standards consistent with the established population criteria, sites with those density standards are accepted as appropriate for accommodating the jurisdiction's share of regional housing need for lower-income households. Pursuant to AB 2348 and the 2020 decennial census, Gilroy is considered a "jurisdiction within a metropolitan county" with a "default" density for affordable units of 30 du/ac. Densities of at least 30 du/ac are allowed in the High-Density Residential zone and Neighborhood District. Densities of 30 du/ac are also allowed in the First Street mixed-use corridor and specified Downtown Specific Plan designations, described above.

Table 62 displays the existing residential standards as outlined in the City's Zoning Ordinance as of April 2023. Note that there are instances where state law may supersede the current standards in the Zoning Ordinance. If there is a conflict, state law supersedes the Zoning Ordinance, and staff will process development applications accordingly. For instance, SB 9 applies to many parcels in the R1 zone and allows them to have up to four units, though the current maximum density is one dwelling unit per lot. SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9, by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter. Furthermore, the City has a dedicated webpage that provides SB 9 information (e.g., more permissive development standards) to the public and potential applicants.

Residential Densities

The Zoning Ordinance will be updated in 2023 so that development standards permit the allowed densities under the 2040 General Plan. To facilitate consistency, the consultant who prepared the City's new General Plan is also preparing the Zoning Ordinance update.

Planned Development Exceptions

Most single-family residential projects are approved ministerially, while, hillside residential single-family and multifamily residential projects that comply with objective development and design standards can generally be approved through an administrative staff review process, without the need for public hearings. However, applicants can request smaller lot sizes, increased height, and decreased setbacks (for example) through the Planned Development process, which is outlined in the Zoning Ordinance. The Planned Development process allows for more economical and efficient land use through diversification in development standards for buildings, structures, and open spaces. Public hearings are required in exchange for this flexibility.

Lot Size

The Zoning Ordinance will be updated in 2023 to be consistent with the lot sizes described in the 2040 General Plan. For example, the typical lot size for the low-density single-family residential land use designation in the 2040 General Plan ranges from 5,000 square feet to 7,000 square feet.

Height Limits

The City has two types of height limits in residential districts: a maximum height measured in stories and an absolute height. Height limits in the R3 zone are 3 stories or 45 feet. For the R4 zone, the height limits are 6 stories or 75 feet, whichever is less. Parking garages that are aboveground would count toward the story limit, while those that are belowground do not. The height limits do not constrain development from reaching their prescribed General Plan densities (8-20 du/ac for medium density sites and 20+ du/ac for high density sites).

Setbacks

All residential zones have setbacks, which are the minimum distances between a structure and a lot line. Setbacks in Gilroy are largely uniform between the residential zones, with 26-foot front setbacks, 6- to 12-foot interior side setbacks, 21-foot street side setbacks, and 15-foot rear setbacks. While all setbacks reduce the amount of land that is developable on a site, the setbacks do not constrain projects from reaching the maximum housing density in a zone.

Floor Area

The City of Gilroy does not regulate residential floor area, other than for ADUs. The ADU Ordinance will be updated in 2023 (and in future years) to be compliant with current state law. Although not required by state law, the City will increase the allowable floor area for ADUs from 1,000 square feet to 1,200 square feet through Program A - 15.

Lot Coverage

The City of Gilroy does not regulate residential lot coverage, other than restricting the amount of paving in the front yard to 50 percent maximum.

Table 62: Residential Standards (2022)

District	Lot Requirements Lot Size in Square Feet (Lots Using Street Standards Adopted in February 2006) ¹	Yard Requirements (Minimum Setbacks in Feet. Property Lines Adjacent to Streets Measured from the Face of Curb)						Height Requirements		Density	
		Front	Front (Lots on Bulb of Cul-de-sac)	Side (Adjacent to a Street)	Side (All Other Side Yards)	Rear	Rear (Yards Backing onto Street)	Feet	Stories	Maximum Density	Units per Acre
A1	20 acres	26 ²	22 ²	21	12	15 ⁶	26	35	2	Maximum of one dwelling unit per lot	
RR	2.5 acres	26 ²	22 ²	21	12	15 ⁶	26	30	2	Maximum of one dwelling unit per lot	
R1	6,660 sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	Maximum of one dwelling unit per lot (not including units permitted through SB 9)	3 – 7.25
R2	8,880 ⁴ sf	26 ²	22 ²	21	6 ³	15 ⁶	26	35	2	One dwelling unit per 4,000 square feet of land to a maximum of two units per lot	3 – 9
R3	8,880 sf	26 ²	22 ²	21	12	15 ⁶	26	45 ⁵	3	One dwelling unit per two 2,722 square feet of lot area	8 – 16
R4	13,320 sf	26 ²	22 ²	21	12	15 ⁶	26	75 ⁵	6	One dwelling unit per 1,452 square feet up to a maximum site area of 2,178 square feet per unit	20 – 30
HR	N/A	±	±	±	±	±	±	30	2	Determined by the average slope with a maximum of two acres/unit	
ND*	*	*	*	*	*	*	*	*	*	*	*

Source: Gilroy City Code Chapter 30.

1 See Zoning Ordinance for lot size requirements for lots using street standards adopted prior to 2006.

2 Garage vehicular entrances shall be set back from the property line such that they have a minimum 18-foot-long driveway measured from the back of the sidewalk.

3 For dwellings located within new subdivisions (after the effective date of the ordinance codified in this chapter), containing five or more lots, the total width of the two side yards for any one lot in an R1 or R2 district must equal 12 feet. For structures in existence on the effective date of the ordinance codified in this chapter, a 6-foot side yard setback shall be maintained, unless a smaller side yard has been allowed by a variance, planned unit development, or preexisting, nonconforming use.

4 7,000 square feet for preexisting lots created prior to September 15, 1983; 6,000 square feet for one single-family dwelling.

5 For R3 and R4 lots proposed to be developed with one single-family residence as the primary use, the height of the residential dwelling unit shall not exceed two stories and 35 feet.

Constraints on Housing ■

6 Rear yard setbacks may be reduced to 10 feet to accommodate a 5-foot encroachment for rear yard patio covers.

* -Residential site and building requirements shall be established by the master plan or specific plan for the neighborhood district area in which the property is located.

+ All setback requirements shall be as specified in the planned unit development (PUD) approval which shall be obtained according to the provisions of section 30.50.50.

Parking

The provision of parking is a significant cost for all forms of development. High parking requirements reduce the potential land available for development and increase the cost of development. Table 63 displays the parking requirements for residential developments in Gilroy. Parking requirements often pose a potential constraint on development. However, construction of recent developments, including below market-rate units, demonstrate that Gilroy's existing parking requirements are appropriate and are not an unreasonable constraint.

In addition to these minimum standards, Gilroy has a maximum parking requirement. Per Gilroy City Code Section 30.31.30 (a), the maximum parking requirement is 10 percent above those listed in the parking schedule, and any parking spaces beyond the 10 percent must be offset with an equal amount of landscaping.

Table 63: Residential Parking Standards (2022)

Type of Residential Development	Required Parking Spaces (off street)
Single- and two-family dwellings	Two stalls per dwelling unit, one of which shall be a covered carport or garage (each space must be at least 10 feet by 20 feet).
Multiple family dwellings	One and one-half stalls per one-bedroom or two-bedroom dwelling unit and two stalls for each unit having three or more bedrooms or rooms which could be used as bedrooms, plus one stall for every four units for guests. One stall for each unit shall be covered with a garage or carport.
Accessory dwelling units (detached)	One stall per unit*
Downtown Specific Plan Residential Parking Requirements	
Residential units < or equal to 800 sq. ft	One space per unit plus one guest space per six units
Residential units > 800 sq. ft.	1.5 spaces per unit plus one guest space per four units

Source: Gilroy City Code Chapter 30.

* A parking stall will not be required for an accessory dwelling unit that meets any of the following criteria:

1. The accessory dwelling unit is created as a result of the conversion of existing area of the single-family residence or existing permitted single-family residential accessory structure.
2. An existing single-family residential garage, carport, or parking structure is converted or demolished to accommodate an accessory dwelling unit in the same location.
3. The accessory dwelling unit is within 0.5-mile walking distance of a public transit station, such as a bus stop or train station.
4. The property is in an architecturally and historically significant historic district.
5. On-street parking permits are required in the area but not offered to the occupant of the residential accessory dwelling unit.
6. A car share vehicle is located within one block of the accessory dwelling unit.

Cumulative Effect of Development Standards

The City of Gilroy has permissive standards for development, especially in its Downtown Specific Plan area. The cumulative effect of development standards is not likely to constrain the ability of developers to achieve densities on site development. This is evident in the entitled

and pending projects analysis (see Table 79). Additionally, many recent projects have been developed at the City's standards and were able to achieve moderate and high densities. Multi-family developments in R-4 and Downtown Specific Plan Zone areas have consistently been approved or constructed to the maximum density (or higher pursuant to state Density Bonus Law or other provisions). Recently proposed or approved developments include:

- A four-story, 120-unit affordable development on 3.4-acre parcel in the R4 zone (35 du/acre)
- A 100-unit affordable development on a 3.9-acre parcel in the R4 zone (25 du/acre)
- A 75-unit development on a 1.86-acre parcel in the Gateway District in the Downtown Specific Plan (40 du/acre)
- A 120-unit development on a 3.9-acre parcel in the R4 zone (30.8 du/acre)
- A 268-unit development in the Downtown Expansion District in the Downtown Specific Plan on 6.8 acres (38.7 du/acre)
- A preliminary proposal for a 94-unit affordable development in the Downtown Gateway District on 2.9 acres (32.4 du/acre)

These and other entitled and pending projects include a total of 62 very low-, 401 low-, and 3 moderate-income units.

Developers, residents, and other stakeholders participated in the public engagement process for the Housing Element Update and provided suggestions for several aspects of the City's development standards that could be changed to facilitate the production of housing. These included removing parking minimums, rezoning nonresidential areas to allow residential development, and increased density.

In the effort to reduce and/or eliminate constraints identified in Gilroy's land use controls, the City will study and consider adopting a density bonus above state law (A - 12), amend the Zoning Ordinance to ensure that the General Plan maximum densities are achievable by the implementing zones (B - 2), review and revise development standards to ensure objectivity (B - 6), and evaluate development standards for all zones including the Downtown Specific Plan zones for potential constraints (B - 7). Program A - 10 (Missing Middle / Middle Income Housing) was amended to allow triplexes and fourplexes on corner lots in the R-1 and R-2 districts with a minimum 6,000 sf lot size. Under Program A - 15 (ADU Ordinance Updates), the City will replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County and increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet. Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility) was added to allow 100 percent residential projects in the Downtown Expansion District and flexibility for non-residential uses in the First Street Mixed-Use Corridor, should projects meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

Density Bonus

California Government Code Sections 65915 through 65918, known as the density bonus law, were enacted to encourage developers to build affordable housing by requiring local governments to provide meaningful incentives in exchange for those affordable units.

The City implements density bonuses through Section 30.46.40 of the Gilroy City Code. This section of the Gilroy City Code references and incorporates the state density bonus law. The City is fully compliant with state density bonus law, and knows how to properly implement it if requested by a developer. Multiple projects have utilized the density bonus, including the Jemcor Apartments (130 units), the Hecker Pass Apartments (100 units), and the First and Kern Apartments (120 units).

The City is including Program A - 12 to study and adopt a density bonus policy beyond what is required by state law to further encourage development of affordable housing. The program will specifically consider additional incentives for households with special needs such as large households, extremely low-income households, households with developmentally disabled individuals, and farmworker households.

Providing for a Variety of Housing Types

Table 64 shows the allowed uses within residential zones in the City's Zoning Ordinance. In some instances, state law also affects the uses that are allowed in a zone. If there is a conflict, state law supersedes the Zoning Ordinance. For instance, SB 9 applies to many parcels in the R1 zone, and allows them to have up to four units, inclusive of an ADU and a junior ADU. A discussion of SB 9 is located in the Senate Bill 9 section of this constraints chapter.

As discussed in the following section, ADUs and junior ADUs are allowed in all residential zoning districts under Section 30.54 of the City's Zoning Ordinance. Single-family residential zoning includes four districts: A1, RR, RH, and R1. Single-family units are permitted as a matter of right in all single-family residential districts. Single-family dwellings are permitted as a matter of right in all multifamily residential districts, except for mixed-use zones in the Downtown Specific Plan area. Single-family development in the R3, R4 and RH zones has the potential to prevent the achievement of the planned densities.

Multifamily residential zoning includes the R2, R3, and R4 districts. Duplexes are permitted as a matter of right in the R2, R3, and R4 districts. Duplexes are also allowed in the R1 district on corner lots of a certain size, when meeting certain conditions; however, this existing standard has been superseded by current state law (SB 9), which is more permissive. Condominiums and townhouses are permitted as a matter of right in the R3 and R4 districts; they are also permitted in the RH district when conforming to the density limits through clustering. Multiple family buildings are permitted as a matter of right in R3 and R4 districts.

The City of Gilroy has also established a Neighborhood District zone. Land in the Neighborhood District may be used as specified by a Master Plan or Specific Plan adopted for each Neighborhood District area. In addition to including 15 percent of the units as affordable,

Constraints on Housing ■

each development must provide compatible uses such as parks, schools, and neighborhood-serving commercial facilities.

The City is including several programs in the Housing Element to further encourage a variety of housing types across the City. One of these programs includes adoption of an affordable housing policy to encourage and incentivize development of affordable housing (Program A - 12). Another program may incentivize the production of missing middle housing, by allowing ministerial approvals for triplexes and fourplexes on corner lots in R1 and R2, zones that comply with the City's objective design standards (Program A - 10). [SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. Program A - 10 provides more flexibility than SB 9, by allowing triplexes and fourplexes as an alternative design to a traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.](#) Additionally, the City is considering a program to incentivize micro-units (Program E - 5).

Table 64: Residential Use Table (2022)

Housing Types Permitted	A1	RR	R1	R2	R3	R4	RH	ND
Accessory Dwelling Unit ¹	--	X	X	X	X	X	X	*
Condominiums	--	--	--	--	X	X	X	*
Duplex	--	--	X ²	X	X	X	--	*
Mobile Home Park	--	--	C	C	X	X	--	*
Multi-Family Building	--	--	--	--	X	X	--	*
Residential Care Homes (> 6 Residents)	--	C	C	C	C	C	C	*
Residential Care homes (≤ 6 residents)	--	X	X	X	X	X	X	*
Single-Family Dwelling or Modular Home	X ⁴	X	X	X	X	X	X	*
Townhouse**	--	--	--	--	X	X	X	*
Emergency Shelters	C	C	C	C	C	C	C	*
Supportive and Transitional Housing ³	X	X	X	X	X	X	X	*

Source: City of Gilroy Zoning Ordinance, Section 11. 10.

Notes:

X = Unconditionally Permitted; C = Permitted only with conditional use permit granted by planning commission; -- Not permitted

* = Refer to master plan or specific plan adopted for the neighborhood district area in which the property is located.

**= Program B - 7 is included to remove reference of condominium ownership in the definition of Townhome.

1 Accessory dwelling unit(s) and/or junior accessory dwelling units may be allowed subject to compliance with the regulations prescribed in Article LIV.

2 Notwithstanding units permitted by SB 9, a duplex dwelling is permitted when all of the following conditions are met:

- (a) The duplex dwelling shall be located on a corner lot only; and
- (b) The corner lot shall have a minimum area of 8,000 square feet and be so designated for a duplex unit on a tentative and final map; and
- (c) The duplex shall not increase the overall density within any given land subdivision beyond the maximum of 7.25 dwelling units per net acre.

3 Supportive and/or transitional housing that serves more than six individuals, provides on-site services, and is licensed by the state as a group home shall only be allowed upon the granting of a conditional use permit.

4 One residential dwelling unit may be permitted on an A1-zoned parcel that has a minimum size of 20 acres or more. Subdivision of land for further development is not permitted without rezoning to another zoning district that implements the General Plan land use map.

Accessory Dwelling Units

ADUs provide additional housing opportunities for people of all ages and economic levels. The City of Gilroy permits ADUs on any residential parcel in any zoning district that permits residential or residential mixed-use development.

The City submitted its current ADU ordinance (Chapter 30.54) to the state in 2020 and worked with the state to ensure its compliance with state law at that time. The City will continue to work with the state to ensure future updates to the ADU ordinance (Program A - 15) remain in compliance when the legislature makes changes to ADU regulations (e.g., Government Code Section 65852.2).

The City is also including multiple programs to monitor, incentivize, and encourage ADU development across the City. This includes monitoring and tracking ADUs and their affordability (Program A - 6), adopting a set of pre-designed plans (Program A - 7), financial incentives for ADUs restricted to lower-income households (Program A - 8), and encouraging the development of ADUs through education and marketing (Program G - 4). In addition, through Program A - 15 (ADU Ordinance Updates), the City will replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County and increase the allowable ADU floor area from 1,000 square feet to 1,200 square feet.

Senate Bill 9

Effective January 1, 2022, SB 9 requires ministerial approval of a housing development with no more than two primary units in a single-family zone, the subdivision of a parcel in a single-family zone into two parcels, or both. The City adopted two objective design standard policies for SB 9 projects on December 13, 2021, and revised them effective April 4, 2022, following additional interpretation by the state. Consistent with state law, the adopted standards are purely objective in nature, providing information to property owners on the SB 9 process and associated standards in Gilroy. The City's SB 9 2-Unit Objective Design Standards Policy and the SB 9 Lot Split Objective Design Standards Policy both closely follow state law. The City website has readily available information regarding ADU and SB 9 applicability and standards. The City's SB 9 Policy and website will be updated under Program A - 10 noted below.

SB 9 facilitates the creation of up to four housing units, comprised of a duplex with an ADU and a junior ADU or two primary units plus an ADU and a junior ADU. The City is including Program A - 10 to provide more flexibility than SB 9 by allowing triplexes and fourplexes as an alternative design to the traditional duplex with an ADU or a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.

Emergency Shelters

An emergency shelter is housing with minimal supportive services for unhoused persons that is limited to occupancy of 180 days or less per calendar year by an unhoused person. No individual or household may be denied emergency shelter because of an inability to pay.

The City's emergency shelter requirements are currently provided in the Performance Standards section of the Zoning Ordinance (Chapter 30.41) and the Residential Use Tables in Section 30.11.10. Current City Code does not meet state law requirements (Government Code Section 65583) and will therefore be amended through Program E - 3. These zoning amendments will be processed during the same meeting in which the City is adopting the Housing Element Update. The proposed zoning amendment will modify the definition of emergency shelters to include other interim interventions, including, but not limited to, a navigation center, bridge housing, and respite or recuperative care.

Currently, emergency shelters may be permitted in any zone with a conditional use permit; however, emergency shelters in the agriculture and residential zoning districts may only serve families. Through Program E - 3, the City will allow emergency shelters by-right in the City's R4 and new mixed-use zone along First Street by removing the conditional use permit requirement in those zones. Program E - 3 will also remove the reference to families and amend standards related to on-site management, waiting and intake areas, and parking based on the number of staff only.

Based on the 2022 Point-in-Time Count, an estimated 208 homeless persons are located in Gilroy. At 200 square feet per bed, 208 beds could be accommodated in facilities totaling approximately 41,600 square feet of floor area to accommodate the City's estimated unsheltered need.

The City has sufficient properties in the R4 and mixed-use zones to accommodate Gilroy's unsheltered population. The R4 zone covers just over 16 acres on 25 parcels, including five sites and 13.7 acres currently identified in the sites inventory. The R4 zone is located in the transit accessible areas of the City and is within walking distance to support services (e.g., South County Compassion Center and Saint Joseph's Family Center Food Center). The First Street Mixed-Use zone district encompasses approximately 71 acres on 87 parcels, including four sites and 3.1 acres currently identified in the sites inventory. The mixed-use zone is located along the First Street corridor, which contains a range of services. Surrounding uses and permissive development standards in the R4 and forthcoming mixed-use zone will make it feasible to develop or convert existing structures to shelter use in these two zones. In addition to the development of vacant parcels in the R4 and mixed-use zone, adaptive reuse of existing structures is another option for establishing shelter facilities without redevelopment of the properties.

Low Barrier Navigation Centers

Low barrier navigation centers (LBNC) are service-enriched shelters that are focused on moving individuals into more permanent housing. LBNCs provide temporary housing while case managers connect individuals experiencing homelessness to shelter, public benefits, and health services. Under the Housing for Homeless Act (2019), local governments are required to allow LBNCs by-right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Gilroy does not currently explicitly allow LBNs in any zone, though this would not prevent their development if an application for one were received. Per Program E - 4, the City will amend its Zoning Ordinance pursuant to Government Code Section 65583 to allow for LBNs by-right in areas zoned for mixed uses and nonresidential zones that permit multifamily uses.

Modular Homes

The permitting of modular, or manufactured, housing on foundations is subject to the same development standards as conventional single-family units, consistent with Government Code Section 65852.3. The City of Gilroy permits modular homes by right in all residential zones that permit single-family dwellings by right.

Transitional and Supportive Housing

Supportive or transitional housing that serves up to six individuals is allowed by right in all residential zones. Supportive or transitional housing that serves more than six individuals, provides on-site services, and is licensed by the state as a group home is allowed in any zone upon the granting of a conditional use permit. While the conditional use permit may be a potential constraint on the development of group homes with more than six residents, the City has added Program E - 13 which will amend its Zoning Ordinance pursuant to Government Code Section 65651 to allow supportive housing by-right in zones where multifamily and mixed uses are permitted. The City has also added Program E - 10 to evaluate and address the potential constraint regarding the permit requirements for group homes in medium- and higher-density residential zones. The City has objective standards for these homes to add certainty to the development process. As a part of Program B - 6, the City's objective standards will be reviewed and modified as necessary to ensure they are purely objective in nature.

Single-Room Occupancy Units

Single-room occupancy (SRO) residences are small, one-room units occupied by a single individual, and may either have a shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis, typically without a rental deposit, and can provide an entry point into the housing market for extremely low-income individuals, formerly unhoused, and disabled persons. SRO units are not specifically defined or included in the City's Zoning Ordinance; however, there is precedence for their allowance within the City.

The City of Gilroy has one SRO development, which opened in 2016. The 25-unit SRO project, the Gilroy Studios (26 units including a manager's unit), was added to the Sobrato Transitional Apartments, aimed at serving the unhoused population in Gilroy. This project shows that there are no demonstrated constraints on the development of SROs in the City.

Residential Development Ordinance

The Residential Development Ordinance (RDO) was first established in 1979 to monitor the amount of residential growth in the City by limiting the number of dwelling units that could be built in a 10-year period. The RDO is a potential constraint on development; however, it has been made null by provisions of SB 330 and SB 8, both effective through 2030. The RDO

limitations are not currently utilized by the City and will not be included in the City's new zoning ordinance, and thus do not pose a constraint to development. Program B - 1 requires the removal of the RDO as a part of the comprehensive zoning update.

Affordable Housing Policy

The City does not have an inclusionary policy in effect for the whole City. Although the City currently has an inclusionary housing requirement for developments in its Neighborhood District areas, the policy is limited to property with a Neighborhood District land use designation. The Neighborhood District Policy requires developments to construct a minimum of 15 percent of its units at affordable prices. Incentives for constructing affordable housing in the Neighborhood Districts include density bonuses, reduction in City standards (including zero-lot line developments, clustered housing on smaller lots, and smaller unit sizes), and reduction in road widths. All affordable units must be developed on-site and there is no option for an in-lieu fee. The lack of an in-lieu fee is a constraint to development and does not comply with Government Code Section 65850(g). Program A - 5 is included to revise the Neighborhood District Policy to ensure it is fully compliant with state law.

Similarly, though the [Residential Development Ordinance \(RDO\)](#) growth limits are no longer in effect due to state law, the RDO Exemption Policy was an effective tool for incentivizing affordable restrictions in a development. Portions of the RDO Exemption Policy were set up similarly to an inclusionary housing ordinance, by including resale controls and rental price controls for a minimum of 55 or 30 years, respectively, and specifying a minimum percentage of units for different affordability categories, as follows:

- At least 40% of units affordable to households below 60% of the AMI
- At least 15% of units affordable to households between 60% and 80% of the AMI
- At least 15% of units affordable to households between 80% and 100% of the AMI
- No more than 30% of the units affordable to households between 100% and 120% of the AMI

Both the Neighborhood District Policy and the RDO affordability standards can be used as a benchmark for an affordable housing policy adopted by the City (Program A - 11). The City also understands that inclusionary housing often raises the cost of development by mandating a price subsidy. An inclusionary housing policy is a potential constraint on development.

Urban Growth Boundary and Urban Service Area

Per the City's General Plan, "The Urban Growth Boundary (UGB) applies to land within the Planning Boundary/Sphere-of-Influence that is intended for urbanization at some point in the future. The UGB indicates the extent and direction of the City's future urban expansion and capital improvements planning. Lands outside the UGB are to be preserved for rural and agricultural uses."

In 2016, voters passed Measure H, resulting in the UGB. The intent of the UGB is to protect agriculture and open space in the surrounding areas outside of the UGB. Urban development

is not allowed outside of the UGB; only uses allowed in the open space designation per the General Plan are allowed. Until December 31, 2040, lands outside the UGB can only be redesignated by a vote of the people, except for the following exceptions in which the City Council determines that doing so is necessary to comply with state law regarding the provision of housing for all segments of the community and makes each of the following findings based on substantial evidence, per the General Plan:

- That the land proposed to be brought within the UGB and/or redesignated is immediately adjacent to (i) the existing UGB; and (ii) available water and sewer connections; and
- That the proposed development will consist primarily of low- and very low-income housing pursuant to the Housing Element;
- That there is no existing vacant or undeveloped residentially designated land within the UGB to accommodate the proposed development and it is not feasible to accommodate the proposed development by redesignating lands within the UGB for low- and very low-income housing; and
- That the proposed development is necessary to comply with state law requirements for the provision of low- and very low-income housing and the area of land within the proposed development will not exceed the minimum area necessary to comply with state law.

An analysis by the City attorney at the time of the vote estimated that this would yield a reduction of 2,929 potential units compared to the City's previous General Plan and 4,344 units to the draft General Plan update at the time.³⁵

The City also has an Urban Service Area (USA). The USA is the land to which the City is committed to providing basic infrastructure and services for urban development. The USA is generally coterminous with the UGB. The City accepts applications for USA modifications in the month of July only. The USA is reviewed and amended by the Local Agency Formation (LAFCO) if desired by the City. At the time of the drafting of this document, the City is currently waiting for LAFCO's decision on an USA amendment application for property north of Gilroy. The City also received an applicant request to amend the USA boundary south of Gilroy. These applications are a good indication of developer interest in Gilroy. The USA acts as a potential constraint to development within City boundaries, which has more permissive development standards than the unincorporated County. Despite this potential constraint, the City has capacity for new housing within the USA and UGB, and has increased residential densities in the Gilroy 2040 General Plan to accommodate any capacity lost under Measure H. Furthermore, the UGB does not restrict the number or timing of permits within the USA or UGB.

³⁵City Attorney's Impartial Analysis of Measure H. <https://sccvote.sccgov.org/sites/g/files/exjcpb1106/files/E110%20-%20Measure%20H.pdf>

Development Review and Permitting Procedures

The efficiency and timing of a jurisdiction's processes for review and approval of residential development has a significant impact on the amount and pace of housing construction. The procedures for development review and permitting in the City of Gilroy are described below.

Permit Processing

The requirements of the permit processing procedure have the potential to act as a constraint to the development of housing. The time and uncertainty of the review and revision cycle can contribute significantly to the overall cost of the project, ability to obtain and maintain funding, and the cost of each dwelling unit. Certainty and consistency in permit processing procedures and reasonable processing times are important to ensure that the developmental review and approval process does not act as a constraint to development by adding excessive costs or discouraging housing development.

In 2020, the City awarded a contract to Tyler Technologies for the purchase and implementation of a Land Management System. The Land Management System helps to manage land development applications, special event permits, code enforcement cases, and fire prevention/pre-treatment/hazardous materials management. The City began configuring the system in 2021 and intends to "go live" with the public by the end of 2023. This Land Management System will modernize the City's application processes by allowing online application submittals and coordinated digital plan review. The system will automate many steps in the existing permitting process and help mitigate potential constraints caused by a lengthy permitting process. Applicants will be able to check the status of their permit online and staff will have greater control over the workflow.

Development Community Stakeholder Outreach

The City evaluates its permitting and processing procedures biannually. It consults builders and other parties engaged in housing development activities to identify concerns and potential constraints in the permit processing procedure. The City will continue to hold meetings to maintain a dialogue with the development community. Topics discussed at previous roundtable meetings have included bicycle parking, objective design standards, and a potential update to the City's Downtown Specific Plan. Meetings were held virtually in 2020 and 2021, and will be held in person or virtually in the future, to accommodate a wide variety of participants.

Zoning Ordinance Streamlining

In 2021, the City began a comprehensive update of the City's Zoning Ordinance to ensure that it is compliant with the 2040 General Plan. Updates will include changes to help streamline the permit process, including but not limited to creating an administrative use permit process, as currently all use permits require a public hearing before the Planning Commission. City staff is also recommending a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential additions). Staff will also be recommending streamlined processing for planned development projects that do not require

a zoning amendment or General Plan amendment. Program B - 5 includes the above changes to streamline the permitting process.

Planning Permit Processing Procedure

The typical planning permit process follows the steps below.

1. Optional Pre-Application Submittal Meeting
2. Application Submittal
3. Input from Other Departments
4. Status Letter to Applicant
5. Plan Revision, as needed (if yes, return to Step 2)
6. Planning Staff Analysis
7. Project Decision, including conditions of approval if applicable

The project decision may be appealed, which would result in project review by either the Planning Commission or City Council, depending on the permit.

Administrative versus Discretionary Planning Permits

As discussed previously, most single-family residential projects can be approved ministerially. Single-family hillside homes and multi-family residential projects that comply with objective development and design standards are approved through an administrative planning staff review process, without the need for public hearings, unless another entitlement tied to the project would require a public hearing.

However, if an applicant wants to change the zoning or land use designation of a particular property, the project will require review and approval by the Planning Commission and City Council, respectively, at separate public hearings. Similarly, if an applicant wants to request flexible development standards through the Planned Development process, the application currently requires public hearings before the Commission and Council. Under Program B-5, the Zoning Ordinance update will include a recommendation by staff to streamline the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council. This streamlined process would reduce the review time by approximately two months.

Permit Processing Time

The processing time needed to obtain development permits and required approvals can act as a constraint to development and contribute to the high cost of housing. Permit processing times are partially dependent on the number of staff available to review projects. When staffing levels drop due to attrition (e.g., voluntary termination) or cutbacks (e.g., layoffs), permit processing times increase. In 2017, the City hired Management Partners to complete an organizational review of the Community Development Department, including

recommended staffing levels. Many of the report's recommendations, such as over-the-counter plan checks, were implemented to reduce permit processing times. The report also recommends that the City reevaluate staffing levels on a regular basis to determine when additional staff resources are needed to meet service demand.

The permit processing times for various permits are shown in Table 65. The level of project review depends on the type of project. Most single-family projects require only a zoning clearance from the Planning Department as part of the ministerial building permit process. Single-family residential hillside projects can be approved by planning staff through an administrative architecture and site review permit. Similarly, most multifamily (no subdivision map), commercial, industrial, and professional office projects can be approved administratively. These staff-level discretionary planning projects typically take three to six months (depending on application completeness) to obtain planning entitlements, while applications for building permits take another three to four months. Projects that require a tentative subdivision map require Planning Commission review and City Council approval. The subdivision review and approval process typically takes approximately one year to complete, depending on the required California Environmental Quality Act (CEQA) documentation. Once final maps are recorded, building permit applications may be filed, which typically takes another three to four months for approval.

Table 65: Permit Processing Time (2022)

Permit Type	Length of Approval	Approval Body
Building Permit	3-4 months*	Issued by Building and Safety Division
Conditional Use Permit	3-4 months	Planning Commission
Variance	3-4 months	Planning Commission
Zone Change / Zoning Amendment	6-12 months	City Council
General Plan Amendment	6-12 months	City Council
Architecture and Site Review	3-6 months	Community Development Director (or designee)
Planned Unit Development	6-9 months	City Council
Tentative Tract Map	6-9 months	City Council
Negative Declaration	6-9 months	Same as project approval body
Environmental Impact Report	12 months	Same as project approval body
Final Subdivision Map	2-4 months	City Council
Parcel Map	1-2 months	City Council

Source: City of Gilroy, 2022

*Pursuant to AB 2234, must determine whether a post-entitlement phase permit application is complete within 15 business days of submittal. Furthermore, the City must approve a post-entitlement phase permit application or return a full set of written

comments to the applicant: (1) within 30 business days of the application being deemed complete if the housing development project has 25 or fewer units; or (2) within 60 business days if the project has more than 25 units, unless otherwise exempted by law.

The Santa Clara County Planning Collaborative collected data through a survey to provide a regional comparison of permit processing times for jurisdictions across the County. Table 66 displays the permit processing time in months for various types of residential permits. Gilroy has similar or slightly quicker processing times, compared to other County jurisdictions for most permits. For example, the City has a shorter processing time on discretionary permits that go to City Council (5–6 months) than all jurisdictions except two.

Table 66: Permit Processing Time, Months, Regional Comparison (2021-2022)

Jurisdiction	ADU Process	Ministerial By-Right	Discretionary By-Right	Discretionary (Hearing Officer if Applicable)	Discretionary (Planning Commission)	Discretionary (City Council)
Gilroy	1 - 2	1 - 2	2 - 4*	N/A	4 - 5	5 - 6
Campbell	1	1	3	N/A	5	8
Cupertino	1 - 3	1 - 6	2 - 4	2 - 4	3 - 6	6 - 12
Los Altos Hills	1 - 2	0.5 - 2	2 - 3	3 - 4	4 - 6	5 - 8
Los Gatos	N/A	1 - 2	1 - 2	2 - 4	4 - 6	6 - 12
Milpitas	1 - 3	1 - 3	2 - 4	3 - 4	4 - 6	6 - 12
Monte Sereno	0.75	0.75	1	1 - 2	1 - 2	1 - 2
Morgan Hill	1 - 2	1 - 2	2 - 3**	2 - 3	4 - 6	4 - 6
Mountain View	3 - 5	4 - 6	2 - 3	6 - 18**	N/A	12 - 24
San Jose	2	1 - 3	7	7	7 - 11	5 - 12
Santa Clara	0 - 1	0 - 1	0 - 3	4 - 9	6 - 9	6 - 12
Saratoga	1	1 - 2	2 - 3	N/A	4 - 6	6 - 12
Sunnyvale	1 - 3	1 - 3	3 - 6	6 - 9	9 - 18	9 - 18
Unincorporated County	4 - 6	6 - 8	9 - 12	12 - 15	15 - 18	15 - 18

Source: Cities Association of Santa Clara County, Planning Collaborative. 2022.

*Gilroy does not have "discretionary by-right" permits This timeline represents "Discretionary (Staff)". This timeline also depends on level of CEQA review.

**Entitlements only

Under Program B - 5 the City will consider streamlining the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council. This should reduce the permit processing time by approximately two months.

Objective Design Standards Policy

In October 2021, the City of Gilroy adopted the Mixed-use Residential and Multi-Family Residential Objective Design Standards Policy. The objective design standards were created to ensure the City's compliance with the Housing Accountability Act. The objective design standards apply to residential projects that are multifamily or mixed-use. Consistent with state law, the standards are purely objective in nature. The objective design standards are also intended to increase consistency in decision making, minimize applicant delays, better utilize limited staff resources, and promote good design principles that help ensure that Gilroy is an attractive place to live and visit.

Program A - 10 will incentivize the production of middle-income housing by allowing ministerial approval of triplexes and quadplexes, on corner lots in the R1 and R2 zones, that meet objective design standards.

Planning, Building, and Development Impact Fees

Housing developments are typically subject to three types of fees: planning permit fees, building permit fees, and development impact fees. The fees are charged by the City and other agencies to cover administrative processing costs associated with development and help ensure the provision of adequate services.

Fees vary based on the type of application necessary for project approvals. The processing fees are typically recouped through the rent or sales price, so excessive fees may ultimately affect the affordability of housing. It is best practice to periodically conduct user fee studies to ensure the City is recouping the cost of providing services in areas for which fees apply. In May 2022, the City completed a Comprehensive User Fee Study to update the City's user fees schedule, which had been last updated and adopted in 2014. City staff advertised the proposed fee increases to the City's list of development professionals, including local builders and contractors. Following community meetings and public hearings with the City Council, a new fee schedule was adopted, effective August 1, 2022. There was no public opposition to the proposed fees, which may be an indication that the fees remain reasonable. The most current fee schedule is available on the City's website. Planning related fees for the City of Gilroy are shown in Table 67.

Table 67: Planning Related Fees (August 2022)

Applications	Fee
Annexation	\$19,632 + actual attorney fees
Architectural Site Review – Residential	
<i>New Construction</i>	\$8,294/first lot + \$592/additional flat land tract plan + \$1,203/additional hillside lot
<i>New Hillside Lot - SFD</i>	\$4,532
<i>Additions</i>	\$2,648

Applications	Fee
Development Agreement	\$19,081 minimum deposit (hourly rate invoiced against initial deposit, plus \$10,000 deposit for attorney fee)
Environmental	
<i>Categorical Exemption</i>	\$536.00
<i>Initial Study/ND/MND, non-complex project (Staff Review)</i>	\$12,113.17 (minimum)
<i>Environmental Impact Report (staff review)</i>	\$23,739.79 (minimum)
<i>EIR/MND/Initial Study (Consultant Contract)</i>	Actual contract cost plus 15% of contract cost + 15% staff review + 10% contingency
General Plan Map Amendment	\$15,604/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs
Planned Unit Development	\$16,203
Tentative Parcel Map	\$10,253 (up to 4 lots), plus publishing
Tentative Tract Map	\$19,036/(5-12 lots) + \$302/additional flat land lot + \$877/additional hillside lot, plus publishing costs
Urban Service Area Extension	\$29,188/first 10 acres + \$423/each additional 10 acres + publishing ¹ + LAFCO fees
Variance	\$5,470, plus attorney fees and publishing costs
Zoning Map Amendment	\$11,884/first 10 acres + \$150/each additional 10 acres, plus attorney fees and publishing costs

Source: City of Gilroy. Effective August 1, 2022. (<https://www.cityofgilroy.org/DocumentCenter/View/12973/2022--Comprehensive-User-Fee-Schedule-Effective-August-1-2022>)

1. For those projects involving multiple public hearing applications, the publication costs will be reduced to a single charge when it is determined, and reasonably possible, that the public-hearing applications can be processed together.

The City of Gilroy Public Works Department provides a fee schedule for development impact fees. Impact fees are updated each fiscal year. The 2022 impact fee schedule, which runs from July 1, 2022, to June 30, 2023, was updated to reflect the fees adopted as part of the 2022 Comprehensive User Fee Study discussed above. Development impact fees add to the cost of residential development; however, they can be a cost-effective mechanism for financing the new infrastructure (e.g., water, sewer, roads) required to support new development. The fees allow for the consolidation of infrastructure projects when it is more cost-effective to do so and, by law, must be linked to the actual impact of the specific project.

The City of Gilroy imposes a number of development impact fees, including for public facilities, sewer development, storm development, traffic, and water development. Typically, fees per unit for high-density residential are lower than fees per unit for low-density residential. Development fees for the City of Gilroy are shown in Table 68.

In 2022, the development impact fee was \$15.82 per square foot for ADUs that are greater than 750 square feet. Thus, the maximum impact fee for a 1,000-square-foot ADU would be \$15,820. In 2022, ADU costs range from approximately \$50,000 (conversion of habitable, already-finished space) to \$120,000 (new construction). In this case, the impact fee represents 13 percent (\$120,000) to 31 percent (\$50,000) of the total cost of development. Comparatively,

Gilroy's impact fee is 34 percent less than the City of Morgan Hill, which charges \$21,209 for the same size (1,000 square foot) detached ADU.³⁶

The impact fees for ADUs in Gilroy are calculated proportionately in relation to the ADU square footage and the square footage of the primary dwelling unit; however the fees may still create a constraint on ADU production. The City will review ADU impact fees as a potential constraint for affordable housing through Program A - 8.

Table 68: Development Impact Fees (2022)

Fee Type	Fee
Public Facilities Impact Fees	
Residential – Low Density	\$22,617/unit
Residential – High Density	\$19,028/unit
Sewer Development Impact Fees	
Residential – Low Density	\$13,262/unit
Residential – High Density	\$7,176/unit
Storm Development Impact Fees	
Residential – Low Density	\$598/acre
Residential – High Density	\$940/acre
Traffic Impact Fees	
Residential – Low Density	\$13,012/unit
Residential – High Density	\$10,548/unit
Water Development Impact Fees	
Residential – Low Density	\$4,556/unit
Residential – High Density	\$1,843/unit
ADUs	ADU impact fees are not assessed for the first 750 square feet. Any floor area above 750 square feet will be assessed an impact fee of \$15.82/square foot

Source: City of Gilroy. Fees to Build Effective July 1, 2022.

In late 2021/early 2022, the Santa Clara County Planning Collaborative collected data through a countywide survey to provide a regional comparison of fees for different types of development. Total fees per unit for single-family, small multifamily, and large multifamily collected at that time are shown in Table 69. Generally, Gilroy's fees are comparable to the region. For single-family fees, Gilroy was the sixth least expensive of the thirteen jurisdictions with listed fees. For small multifamily units, Gilroy was seventh of the twelve listed fees, and for large multifamily Gilroy was eighth of twelve listed fees.

³⁶ <https://www.morganhill.ca.gov/DocumentCenter/View/42497/Detached-ADU-checklist-for-Morgan-Hill---FINAL-with-Impact-Fees?bidId=>

Table 70 displays a regional comparison of fees as a percentage of total development costs. At the time of comparison, Gilroy's single-family fees (1.5 percent of total development) rank sixth least expensive out of fourteen jurisdictions listed. For small multifamily fees, Gilroy ranks seventh out of twelve jurisdictions listed (5.3 percent), and for large multifamily fees, Gilroy is eighth of the twelve jurisdictions listed (5.6 percent).

Table 69: Total Fees per Unit, Regional Comparison (2021-2022)

Jurisdiction	Single-Family	Small Multifamily	Large Multifamily
Gilroy	\$69,219	\$40,195	\$39,135
Campbell	\$72,556	\$20,599	\$18,541
Cupertino	\$136,596	\$77,770	\$73,959
Los Altos Hills	\$146,631	N/A	N/A
Los Gatos	\$32,458	\$5,764	\$3,269
Milpitas	\$77,198	\$74,326	\$59,740
Monte Sereno	\$33,445	\$4,815	\$4,156
Morgan Hill	\$55,903	\$41,374	\$36,396
Mountain View	\$90,423	\$69,497	\$82,591
San Jose	\$9,919	\$23,410	\$23,410
Santa Clara	\$72,034	\$7,299	\$3,048
Saratoga	\$64,272	\$17,063	\$15,391
Sunnyvale	\$133,389	\$126,673	\$98,292

Source: Santa Clara County Planning Collaborative. 2022.

Table 70: Fees as Percentage of Total Development Costs, Regional Comparison (2021-2022)

Jurisdiction	Single-Family	Small Multifamily	Large Multifamily
Gilroy	1.5%	5.3%	5.6%
Campbell	2.6%	2.7%	2.6%
Cupertino	2.9%	10.3%	10.5%
Los Altos Hills	3.1%	N/A	N/A
Los Gatos	1.2%	0.8%	0.5%
Milpitas	2.8%	9.8%	8.5%
Monte Sereno	0.7%	0.6%	0.6%
Morgan Hill	2.0%	5.5%	5.2%
Mountain View	3.3%	9.2%	11.8%
San Jose	0.4%	3.1%	3.3%
Santa Clara	2.6%	1.0%	0.4%
Saratoga	1.4%	2.3%	2.2%
Sunnyvale	4.8%	16.8%	14.0%
Unincorporated County	0.9%	N/A	N/A

Source: Santa Clara County Planning Collaborative. 2022.

On average, Gilroy's fees are comparable to surrounding jurisdictions in Santa Clara County. Fees may represent a barrier to the construction of housing as they increase the minimum cost of development for a dwelling unit and may be passed onto the purchaser or renter. However, the City's fees are not excessive and do not constitute unreasonable constraints on the production of housing, as the City has seen robust housing production during the 5th RHNA Cycle.

School Fees

In addition to the costs above, the Gilroy Unified School District charges development fees. The entirety of Gilroy is served by the Gilroy Unified School District. As of 2018, the residential development fees for the school district were \$3.79 per square foot.³⁷ The City does not have control over these fees, but the fees have not constrained the development of housing in recent years.

Transparency of Development Standards

The City of Gilroy provides its development standards on the City website. The Gilroy City Code, General Plan, permit and development fees, affordability requirements, and zoning maps can all be accessed on the City's website. This includes the most recent Comprehensive User Fee Study. City staff are available to assist applicants or interested parties that do not have internet access. The City is in compliance with requirements set forth in AB 1483.

Under Program B - 4 (Public Fees, Standards, and Plans Online) and pursuant to Assembly Bill (AB) 1483, the City will compile all development standards, plans, fees, and nexus studies in an easily accessible online location (also see Program B - 8).

SB 35 Approval Procedure

SB 35 (2017) requires a Streamlined Ministerial Approval process for developments in jurisdictions that have not made sufficient progress towards their Regional Housing Needs Allocation. Program B - 3 establishes and implements expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330.

As of August 2022, the City of Gilroy has not received an SB 35 application. If the City were to receive an SB 35 application, it would follow state law procedure. The following permitting procedure that the City will follow is from the Streamlined Ministerial Approval process guidelines outlined by HCD.

After receiving a notice of intent from the applicant intending to submit an application for a Streamlined Ministerial Approval process, the following steps must occur:

³⁷ Gilroy Unified School District. Developer Fee Justification Study. 2018.
<https://resources.finalsite.net/images/v1529100379/gusdk12caus/qszb2awtcdnj2lpzxcc8/DeveloperFeeJustificationStudy.pdf>.

Constraints on Housing

1. The City will complete the tribal consultation process outlined in Government Code Section 65913.4(b) prior to accepting an application for a Streamlined Ministerial Approval process.
2. Once the tribal consultation process is complete, the City will begin processing the submitted application for a Streamlined Ministerial Approval process.
3. The City will perform a determination of consistency with regard to objective zoning, subdivision, and design review standards.
4. The City will perform a determination of consistency with density requirements.
5. The City will complete the design review within the following timeline, following acceptance of the application in item #2 above:
 - Within 60 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units.
 - Within 90 calendar days of submittal of the application to the City if the development contains more than 150 housing units.
6. The City will determine whether the application for Streamlined Ministerial Approval complies with all applicable requirements, and will approve or deny the application, within the following timeline:
 - Within 90 calendar days of submittal of the application to the City if the development contains 150 or fewer housing units.
 - Within 180 calendar days of submittal of the application to the City if the development contains more than 150 housing units.

Under Program B - 3 (SB 35 Permit Processing and SB 330 Compliance), the City will establish and implement expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330 and create checklists and instructions for reviewing and approving SB 35 and SB330 projects. The City will also amend the Zoning Ordinance to require that any demolished residential units located on a Sites Inventory property be replaced pursuant to Government Code Section 65915(c)(3) and Government Code Section 65583.2(g). The City will also add information regarding the expedited permit process on the City's website.

Housing for Persons with Disabilities

The US Census Bureau defines persons with disabilities as those with a long-lasting physical, mental, or emotional condition. Certain conditions affect a person's housing choices, whether it creates a need for accessibility, living spaces for caretakers, transit access, or other.

Under Program E - 10 (Development and Rehabilitation of Housing for Persons with Disabilities), the city will evaluate and revise as necessary the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones.

Reasonable Accommodation Procedures

The City of Gilroy has a Reasonable Accommodation Procedure adopted in 2014 outlined in Section 30.50.23 of the Zoning Ordinance. A request for reasonable accommodation may be made by any person with a disability, their representative, or any entity when the application of a zoning law or other land use regulation, policy, or practice acts as a barrier to fair housing opportunities.

Requests for reasonable accommodation shall be reviewed by the Community Development Director or their designee if no other approval is sought. Requests for reasonable accommodation submitted for concurrent review with another discretionary land use application shall be reviewed by the authority responsible for reviewing the discretionary land use application, in conjunction with that application. The written decision to approve or deny a request for reasonable accommodation shall be based on consideration of the following factors:

- Whether the housing will be used by a disabled individual.
- Whether the request for reasonable accommodation is necessary to make specific housing available to an individual with a disability.
- Potential impact on surrounding uses.
- Physical attributes of the property and structures.
- Alternative accommodations which may provide an equivalent level of benefit.
- Whether the requested accommodation would impose an undue financial or administrative burden on the City.
- Whether the requested accommodation would require a fundamental alteration of a City program.

The reviewer must make a written determination within 45 days of receipt of a complete application and either approve, approve with modifications, or deny a request for reasonable accommodation.

The City provides Community Development Block Grant (CDBG) funding to Rebuilding Together Silicon Valley to help provide accessibility improvements to very low-income households.

The City supports equal access to housing for persons with disabilities and will evaluate its reasonable accommodation standards and procedures as a potential constraint to accommodating persons with disabilities (Program E - 10).

Definition of Family

The Gilroy City Code defines family as “one (1) or more persons, occupying premises and living together as a single housekeeping unit, as distinguished from a group occupying a hotel, club, fraternity, or sorority.” This definition is consistent with state law and does not pose a constraint on the development of housing for persons with disabilities.

Building Code

The City of Gilroy has adopted the 2022 California Building Code, adopted from the 2021 International Building Code, with local amendments. When development plans are submitted for plan check, they are reviewed by the Building and Safety Division for compliance with the California Building Code. The local amendments were adopted with recommendation by the City of Gilroy chief building official. Modifications and changes are reasonable and necessary due to local climactic, geological, or topographical conditions or are otherwise permitted by state law. Most notably, the City has incorporated electric vehicle (EV) charging requirements for new construction, roofing requirements in Wildland-Urban Interface Fire Areas, and grading requirements for erosion control. While these requirements may add to the cost of construction of residential units, they are necessary to help mitigate the risk of damage by wildfire and contribute to sustainability goals.

Local amendments to the building code can be found in Gilroy City Code Chapter 6, Article II, Section 6.7. Amendments are minor changes, and no modifications pose constraints to development.

Under Program B - 9 (Building Department webpage), the City will update the Building Department webpage to include information required pursuant to AB 2234, including but not limited to specific information required for an application to be considered complete; example of a complete, approved application; and example of a complete set of post-entitlement phase permits for accessory dwelling units, duplexes, multifamily projects, mixed-use projects, and townhomes. This should help reduce applicant time and cost and increase certainty in the building permit process.

Code Enforcement

The City's Code Enforcement staff responds to potential violations of the Gilroy City Code. There are two code enforcement officers. Code enforcement is reactive and officers respond to complaints reported by residents. Common violations include abandoned or dangerous buildings, blighted property and maintenance concerns, unsafe living conditions, construction without land use/zoning permits, and illegal tree removal. The City provides CDBG funding to Rebuilding Together Silicon Valley to operate and expand the Home Repair and Accessibility Modification program in Gilroy.

On- and Off-Site Improvement Requirements

The City requires on- and off-site improvements for new developments, which are intended to meet health and safety requirements of the community. Residential developers are responsible for constructing road, water, sewer, and storm drainage improvements on new housing sites. The City's General Guidelines for development were last updated in August 2014. They include local street rights-of-way and curb-to-curb widths, sanitary sewer and storm drainage lines, street lighting, erosion control, landscaping, and easements.

Notably, all streets must be designed in accordance with accepted engineering principles and conform to the design standards, the standard details, and the complete streets resolution

approved by City Council. All exceptions to the General Guidelines must be approved by the City Engineer prior to the approval of a tentative map. These requirements are similar to those of other jurisdictions and are not considered an unreasonable constraint on development. Although requirements for on- and off- site improvements do add to the overall cost of the development, they are necessary to ensure provision of vital infrastructure services to residents. Based on the recent entitled and pending housing types (see Table 79), the City's site improvement requirements do not create an undue constraint on development.

The following example highlights the requirements for a 29-unit single-family redevelopment project, approved in 2020, which was previously an office park.

- **Street Trees:** The applicant shall plant street trees along the project frontage to match the City of Gilroy's Street Tree Plan in effect at the time of construction. The street tree plans shall be per City Standard Drawings and will include City Standard tree grates.
- **Tree Grates:** The applicant shall install City Standard Tree Grates as specified in the approved plans. Tree grates shall be 4'x6', model OT-T24 by Urban Accessories, and shall be black power coated. The tree grates shall be shown on the improvement plans to be located at the back of curb to the approval of the City Engineer and shall be installed with the street trees prior to the first occupancy.
- **Street Markings:** The applicant shall install necessary street markings of a material and design approved by the City Engineer and replace any that are damaged during construction. These include but are not limited to all pavement markings, painted curbs, and handicap markings. All permanent pavement markings shall be thermoplastic and comply with Caltrans Standards. Color and location of painted curbs shall be shown on the plans and are subject to approval by the City Engineer. Any existing painted curb or pavement markings no longer required shall be removed by grinding if thermoplastic, or sand blasting if in paint.
- **Sidewalk:** The applicant shall replace to existing City standards all sidewalk surrounding the project site. The actual amount of sidewalk to be replaced shall be determined by the Public Works Construction Inspector in the field prior to construction. Sidewalk replacement shall be constructed per the City Standard Drawings.
- **Curb Ramp(s):** The applicant shall construct 4 curb ramps in accordance with the latest Caltrans State Standard Drawing at the Princevalle & W 6th St intersection. The actual ramp "Case" shall be identified on the plans and shall be to the approval of the City Engineer.
- **Curb and Gutter:** At the time of the A&S application was filed, a minimum of 450-ft linear feet of curb and gutter will need to be replaced. This figure is provided only to determine minimum bonding requirements for the encroachment permit. The actual amount of curb and gutter to be replaced shall be determined by the Public Works Construction Inspector in the field prior to construction. New curb and gutter shall be constructed per the City Standard Drawing STR-12.
- **Driveway Approaches:** The applicant shall install driveway approaches as shown on the approved plans. The new residential driveway approaches shall be constructed per the City Standard Drawing.
- **Driveway Removal:** The applicant is to remove the existing driveway approaches located along the project frontage as shown on the approved A&S application plans, and replace them with sidewalk, curb, and gutter per the City Standard Drawing.

- **Sewer Lateral:** The applicant shall install as a minimum a four (4) inch City Standard sewer lateral connection from the property line to the sewer main located in the street right-of-way for each proposed lot. The installation shall be done in accordance with the City Standard Drawing SWR-6 including a 6" property line clean-out.
- **Sewer Clean-Out:** The applicant shall install a sewer lateral clean-out at the property line for each proposed lot in accordance with the City Standard Drawing SWR-6.
- **Sanitary Sewer Manholes:** The applicant shall install standard sanitary sewer manholes, per approved plans and in accordance with the City Standard Drawing.
- **Storm Water Catch Basins:** The applicant shall install standard storm water catch basins, in accordance with the City Standard Drawing.
- **Street Lights:** The applicant shall provide and install standard aluminum electrolier street lights per City Standard Drawing EL-1 to EL-5. The applicant is responsible for all PG&E service fees and hook-up charges. Any new service point connection required to power the new lights shall be shown on the construction drawings along with the conduit, pull boxes and other items necessary to install the street lights. An Isometric lighting level needs to be provided by the designer/contractor. A separate light study may be required by the City Engineer. The new street light shall have 32' mounting height per Standard Drawing EL-3, with mounting arm length per Standard Drawing EL-4, the Fixture shall be Leotek GC1 or GC2 series in an approved configuration per detail EL-2 or approved equal. The arm shall be installed at the location as shown on the approved plans.
- **Fire Hydrants:** The applicant shall install new fire hydrants along the project frontage. Spacing shall meet City and Fire Marshall requirements.

Based on the recent proposals submitted and entitled citywide for a range of housing types, the City's site improvement requirements do not create an undue constraint on development.

Nongovernmental Constraints

Requests to Develop Below the Anticipated Density

In some regions, market factors such as the demand for single-family housing or larger high-end condominiums can lead to properties being developed below the maximum allowable density. Requests to develop housing at densities below those anticipated in the Housing Element act as a potential constraint to housing development. However, the City does not generally receive any requests to develop below densities anticipated. For example, one of the low-income sites identified in the 2015-2023 Housing Element (LI-4) developed above the anticipated density identified in the 2015-2023 RHNA sites inventory. The site was projected for 78 low-income units and was constructed with 120 low-income units for a surplus of 42 units.

The 11 entitlement projects noted in Table 76 had densities between 13.4 and 40.3 du/ac with an average yield percentage of approximately 111 percent. Out of this total, 8 entitlement

projects analyzed developed above the anticipated density (72 percent). Entitled projects largely exceed the density assumptions made in the 5th RHNA cycle. For example, in the Downtown Specific Plan Area (excluding the Cannery District), the R4 zone, and the Neighborhood District, the average base densities of actual projects were all higher than assumed.

Projects developed at a lower density than previously assumed, were primarily located in the R3 zone. Sites in this district are typically smaller and under separate ownership, and therefore more constrained. In addition, projects in the R3 zone are typically infill or small additions to existing structures, which would characteristically yield a lower density.

Consistent with the 2040 General Plan, the City will amend the Zoning Ordinance to increase the maximum density in the R3 zone and remove the maximum density in the R4 zone. This will help ensure adequate baseline capacity to meet RHNA targets and achieve Housing Element compliance (B - 2).

Land Costs

Land costs have a demonstrable influence on the cost and availability of affordable housing. Land prices are determined by numerous factors, most important of which are land availability and permitted development densities. As land becomes less available, the price of land increases. The scarcity of adequate housing opportunities in northern Santa Clara County have influenced upward pressure on land and housing costs in Gilroy.

The price of land varies depending on a number of factors, including size, location, the number of units allowed on the property, and access to utilities. Vacant land sales (in early 2022) are shown by cost and acreage in Table 71. The price ranges from \$1.80 to \$9.69 per square foot, with an average price of \$6.75 per square foot (or \$293,843 per acre). The City has little control over land costs, which can pose a constraint to development.

Table 71: 2022 Vacant Lot Sales in Gilroy

Acreage	Land Cost	Cost per sq. ft.	Date Sold
7.34	\$3 million	\$9.38	2/28/2022
1.26	\$335,000	\$6.10	2/18/2022
13.11	\$1.03 million	\$1.80	2/15/2022
7.67	\$900,000	\$2.69	2/11/2022
1.14	\$400,000	\$8.06	2/1/2022
2.38	\$985,000	\$9.50	1/5/2022
1.09	\$460,000	\$9.69	1/4/2022

Source: Zillow.com, 2022

Construction Costs

Construction costs include the cost of materials and labor. Materials costs include the cost of building materials (wood, cement, asphalt, roofing, pipe, glass, and other interior materials), which vary depending on the type of housing being constructed and amenities provided. In general, construction costs can be lowered by increasing the number of units in a development, until the scale of the project requires a different construction type that has a lower cost per square foot.

One indicator of construction costs is Building Valuation Data, compiled by the International Code Council (ICC). The unit costs compiled by the ICC include structural, electrical, plumbing, and mechanical work, in addition to interior finish and normal site preparation. The data are national and do not account for regional differences, nor include the price of the land upon which the building is built. The Building Valuation Data, dated August 2021, reports the national average for development costs per square foot for apartments and single-family homes as follows:

- Residential Multifamily: \$136.73 to \$203.34 per square foot
- Residential One- and Two-Family Dwelling: \$148.33 to \$189.34 per square foot
- Residential Care/Assisted Living Facilities: \$172.87 to \$240.35 per square foot

California building costs tend to be higher than national levels. A 2020 study by the Berkeley Turner Center noted that construction costs in the state are highest in the Bay Area and reached more than \$380 per square foot in 2018.³⁸

Financing Availability

Interest rates affect homeownership opportunities throughout the City. In August 2022, Freddie Mac's primary mortgage market survey listed interest rates on home loans at 5.55 percent on a 30-year fixed-loan rate. While low interest rates are expected to prolong the availability of financing, low housing inventory can create competition among potential homebuyers, especially for first-time homebuyers. The sales price of housing is typically adjusted for changes in mortgage rates. The Housing Trust of Silicon Valley administers the Santa Clara County Empower Homebuyers First Time Homebuyer Loans and HELP for Homebuyers programs.

Table 72 displays the number of loan applications received in 2020 for the purpose of purchasing a home in the San Jose-Sunnyvale-Santa Clara metropolitan statistical area, which includes the City of Gilroy. Specifically, the table provides the number of total applicants, the number of loans originated, the number of applications that were approved but not accepted by the applicant, and the number of applications denied across various types of loans.

³⁸ Turner Center for Housing Innovation. The Hard Costs of Construction: Recent Trends in Labor and Materials Costs for Apartment Buildings in California. March 2020. https://turnercenter.berkeley.edu/wp-content/uploads/2020/08/Hard_Construction_Costs_March_2020.pdf

Table 72: Disposition of Home Loans, 2020

Loan Type	Total Applicants	Originated	Approved Not Accepted	Denied	Withdrawn / Other
Conventional Purchase	24,691	15,660	644	1,942	6,445
Government Backed Purchase	1,879	986	71	138	684
Home Improvement	5,206	2,998	165	961	1,082
Refinance	41,117	21,078	1,208	5,930	12,901
Total	72,893	40,722	2,088	8,971	21,112

Source: lendingpatterns-lite.com, 2020

Federal and State Programs

There is limited funding available for housing assistance programs from the state and federal governments. For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 each year in CDBG funds from the US Department of Housing and Urban Development. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities.

For the 2022-2023 and 2023-2024 fiscal years, the City also allocated \$237,000 (each year) in Permanent Local Housing Allocation Fund funds for services related to homelessness, fair housing, and special needs, such as persons with disabilities.

[Additional information on these funds is included in the Housing Element Accomplishments chapter.](#)

Environmental and Infrastructure Constraints

Environmental hazards affecting housing units include geologic and seismic conditions, soil conditions, flood risk, vegetation and wildlife habitat, toxic and hazardous waste, fire hazards, noise levels, and preservation of agricultural lands. In Gilroy, seismic hazards provide the greatest threat to the built environment. Infrastructure constraints include the availability and cost of water and sewer services. The following hazards may impact future development of residential units in the City and can pose a potential constraint to housing development.

Environmental Constraints

Seismic Hazards

The topography of Santa Clara County consists of three principal geologic features: the Santa Clara Valley, the Santa Cruz Mountains, and the Diablo Range. The area is dominated by a complex system of faults associated with motion between the Pacific and North American

plates. The most significant fault is the San Andreas Fault. The area is seismically active and includes other major, active strike-slip faults, including the Calaveras Fault, as well as active folding and thrust faulting. The Sargent Fault, northeast of the City of Gilroy, has significant potential to cause seismic shaking.

Soils

The soils in the Gilroy area consist of gravel, silt, and clay that are often poorly drained with flooding and deposition occurring along the major streams. Because these soils exhibit site-specific properties, site-specific studies should be completed at the project design stage to characterize the suitability and behavior of soil for specific development applications.

Flooding

The City of Gilroy area lies within two major watersheds: the Uvas Creek watershed and the Llagas Creek watershed. The City of Gilroy Flood Plain Management Ordinance was updated in 2016 to adopt regulations designed to promote public health, safety, and general welfare. The standards require all new developments in the 100-year floodplain, regardless of project size, to develop a base flood elevation in areas without a determined base flood elevation.

Vegetation and Wildlife Habitat

Vegetation and wildlife habitat within the Gilroy area include both developed and natural areas. Developed areas include urban and agricultural land. Natural communities include annual grassland, coastal oak woodland, and valley foothill riparian habitat.

The 2040 General Plan includes policies aimed at protecting sensitive communities from urban development, in-stream capital projects, and in-stream operations and maintenance. These sensitive communities include wetlands and waterways (including associated freshwater marsh vegetation and riparian corridor habitats), serpentine rock formations that support native species, and native oak woodlands.

Toxic and Hazardous Wastes

Hazardous waste management in Gilroy includes three areas: control of production, control of disposal, and control of transportation of hazardous waste. A limited number of hazardous materials are produced in the City. Among those produced by point sources are waste oil, antifreeze, solvents, x-ray solutions, and materials associated with graphic design. Hazardous wastes associated with non-point sources include waste oil, antifreeze, and other pollutants associated with motorized vehicles. The City of Gilroy's Hazardous Materials Specialists and Pretreatment Inspectors and the County Public Health Department regularly inspect activities that store and/or use hazardous materials. Regular inspections and monitoring help ensure compliance with local, state, and federal regulations and help reduce the risks associated with the use and handling of hazardous materials and waste.

Fire Hazards

The City of Gilroy receives fire protection from the Gilroy Fire Department. The areas outside the City are under the jurisdiction of the South Santa Clara County Fire Protection District. The two jurisdictions have a mutual aid agreement that allows reciprocal aid to be provided on an as-needed basis during major emergencies. High Fire Hazard (or “Mutual Threat Zones”) areas are designated by the district. These include much of the hillsides on the western boundary of the City. The City of Gilroy Fire Department has in place a hazard (weed) abatement program. The City’s Hillside Development Guidelines contain policies relating to fire hazards.

Noise

One of the primary noise sources in the Gilroy area is traffic on local roadways, primarily the result of tire noise on the road surface and the Union Pacific Railway line. Other typical noise sources, as in all suburban areas, include construction, barking dogs, children playing, industry, and recreational activities. Overflying aircraft are also occasionally audible in the Gilroy area. These sources are not significant compared to the noise produced by the dominant transportation sources.

The City is responsible for evaluating noise impacts as part of the review and approval process for new discretionary project proposals. Project approval may include conditions to mitigate noise levels for project occupants and nearby neighbors. There is no noise impact fee. The cost of construction, as well as maintenance of noise mitigation measures, is borne by the developer. The City of Gilroy aims to buffer residential areas from sources of noise pollution through appropriate zoning wherever possible (e.g., locating commercial uses between residential uses and light industrial uses).

Agricultural Lands

To protect and preserve agricultural land, the City of Gilroy adopted an Agricultural Mitigation Policy. The policy was adopted in 2004 and revised in 2016. CEQA requires all feasible mitigation for significant unavoidable impacts. Upon certification of the City’s General Plan EIR, the City Council established the Agricultural Mitigation Policy to implement the mitigation measures identified in the 2020 General Plan EIR and 2040 General Plan EIR for loss of agricultural lands. Therefore, significant agricultural impacts as determined under CEQA would be subject to the City’s Agricultural Mitigation Policy. The policy establishes the criteria for determining when mitigation would be required and what lands are acceptable for preservation. The policy requires mitigation for the conversion of agricultural lands to urban uses at a 1:1 replacement ratio. Mitigation may be accomplished with one of two options and the options shall include all costs to cover program administration, monitoring and management of established easements as outlined in the policy.

The policy established a preferred area for the preservation of agricultural lands. This area is located within the City’s Sphere of Influence and outside the General Plan 20-year boundary, east of Highway 101 and south of Masten Avenue. At the time the map was created in 2004, this area contained the greatest concentration of “Prime” and “Statewide Important” farmland

remaining in south Santa Clara County. The policy requires new developments to establish a minimum of 150 feet for an agricultural buffer adjacent to permanent agricultural and open space areas. This applies only to a few areas in the City and would aim to reduce potential conflicts between agricultural and non-agricultural uses.

The Agricultural Mitigation Policy poses a potential constraint to development, but also allows for certain exemptions from the 1:1 mitigation ratio as follows:

- Up to 100 feet in width of a permanent agricultural buffer area;
- Public facilities established in the City's General Plan or Parks Master Plan; and
- Lands dedicated for public rights-of-way that service the overall community, not just the specific development.

Infrastructure Constraints

Water

The Llagas Basin Aquifer serves as Gilroy's potable water source for most residential, municipal, industrial, and agricultural land uses. It is estimated that the municipal demand will increase to 53,000 acre-feet per year by 2040.

The City depends solely on local groundwater from wells for its water supply. Currently, there are 15 active wells that serve three water pressure zones. The City's water supply system relies on well pumping from dispersed sources to supply system pressures in areas of lower elevation during peak demand conditions. Gilroy will continue to meet its future demands through its 2020 Urban Water Management Plan.

Sewer

The City sewer collection system consists of approximately 162 miles of 3-inch through 48-inch diameter sewers. The system consists of trunk sewers that convey the collected wastewater flows to the Wastewater Treatment Plant. The plant, operated by the South County Regional Wastewater Authority, treats the collected wastewater from the City.

During dry weather conditions, the maximum day and peak wastewater hour flows from the City are 2.8 million gallons per day (mgd) and 5.4 mgd, respectively. During wet weather conditions, the maximum day and peak wastewater hour flows from the City are 6.6 mgd and 20 mgd, respectively.

According to the City's Sanitary Sewer Master Plan, the existing system was well planned to meet the needs of existing customers. In anticipation of future growth, the City has planned and constructed sewer facilities in conjunction with new street construction. Some project improvements in the master plan will mitigate flows caused by infiltration and inflows that occur during significant storm events.

Energy Conservation

Energy Conservation State law (Government Code §65583(a)(7)) requires a Housing Element to provide an analysis of opportunities for energy conservation in residential development. Not only do such energy conservation measures reduce consumption of non-renewable or limited resources, but they can also substantially lower housing maintenance costs.

The Bay Area Regional Energy Network (BayREN) is a coalition of the Bay Area's nine counties that partners to promote resource efficiency at the regional level, focusing on energy, water and greenhouse gas emissions reductions. BayREN offers rebates, funding, and technical assistance to help residents, property owners, business owners, and local governments improve the resource efficiency and carbon footprint of their buildings. They include additional programs and incentives for lower-income households.

Pacific Gas and Electric (PG&E) provides electrical and gas service for the City. As of January 1, 2020, the State of California began requiring solar on newly constructed low-rise residential buildings (single-family homes, duplexes, and townhouses of 3 stories or less, including ADUs) through the 2019 California Building Standards Energy Code (Title 24, Part 6). The City of Gilroy adopted and implemented the code. PG&E also provides several programs, incentives, and rebates for qualified renters and homeowners to save energy and money. The City provides links to these PG&E programs as well as listing energy-saving measures for residents on the City's website for energy conservation.

In November 2022, the City adopted the 2022 California Building Code with local amendments. On January 1, 2023, the codes became effective citywide. Among the codes, Gilroy adopted the 2022 California Green Building Standards Code with reach code amendments that further reduce greenhouse gas emissions. The reach code amendments were based on the model code amendment initiated by Silicon Valley Clean Energy and incorporated adjustments resulting from outreach and stakeholder input from the local community. The reach code amendments provide a higher percentage of charging infrastructure in new construction through a combination of Level 2 electric vehicle supply equipment (EVSE) and Low Power Level 2 Electric Vehicle (EV) Charging Receptacle with varying readiness. The reach code amendments help reduce greenhouse gas emissions, save on future retrofit costs, and stimulate the use of electric vehicles in the Gilroy community.

In addition, in the reach code amendments, the inclusion of the long-term bicycle parking standards for multifamily buildings and long-term bicycle parking for hotels and motels will include more bicycle parking availability and promote the use of bicycles as an affordable sustainable method of transportation. The California Green Building Standards Code, with reach code amendments, help increase access to renewable energy and reduce fossil fuel consumption, greenhouse gas emissions, and our communities' carbon footprint.

The City of Gilroy participated in the Silicon Valley Clean Energy reach code grant offering, which provided \$10,000 for presenting reach codes to the City Council for consideration. Silicon Valley Clean Energy also offers incentives and rebates to residents and businesses to help advance clean, electric buildings and transportation.

In summer 2022, the City of Gilroy started a pilot program with Solar Automated Permit Processing Plus (SolarAPP+) and completed the public launch in early 2023. This online platform offers a portal that simplifies and accelerates rooftop solar photovoltaic (PV) permitting processes, allowing residential solar photovoltaic systems to be installed quicker, which helps decrease our community's nitrogen and carbon emissions footprint and provides clean energy. SolarAPP+ permits PV contractors to upload qualifying solar photovoltaic system specifications. It reviews the submission for code compliance and verifies code-compliant systems. Furthermore, SolarAPP+ increases access to renewable energy, helps reduce fossil fuel consumption, and helps reduce our communities' carbon footprint, particularly carbon dioxide (CO₂), and improves air quality.

These programs, along with smart growth strategies which the City of Gilroy is promoting and implementing as part of the Housing Element, will further local and statewide energy conservation goals.

CITY OF GILROY

HOUSING ELEMENT



6TH CYCLE

HOUSING SITES AND RESOURCES

Housing Sites and Resources

Land Inventory

This section of the Housing Element addresses resources available for the development, rehabilitation, and preservation of housing in Gilroy. It provides an overview of available land resources and residential sites for future housing development and evaluates how these resources can work toward satisfying future housing need. The financial and administrative resources available to support affordable housing are also discussed.

Housing Allocation

As discussed in the Needs Chapter, California General Plan law requires that a community plan for an adequate number of sites to allow for and facilitate production of its share of the regional housing need. Each jurisdiction must identify “adequate sites” to determine whether that jurisdiction has sufficient land to accommodate its share of regional housing needs for each income level. As defined under California Government Code Section 655839(c)(1), adequate sites are those with appropriate zoning and development standards, and with services and facilities to encourage and provide for the development of a variety of housing for all income levels. As shown in Table 73, Gilroy’s RHNA for the 2023-2031 (6th Cycle) planning period is 1,773 units. Broken down by income level, the allocation is 669 very low-, 385 low-, 200 moderate-, and 519 above-moderate units.

Table 73: 2023–2031 RHNA

	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA	669	385	200	519	1,773

Source: Regional Housing Needs Allocation, ABAG, 2023-2031.

*Note: Pursuant to AB 2634, local jurisdictions are also required to project the needs of extremely low-income households (0–30% of AMI). The projected extremely low-income need can be assumed as 50 percent of the total need for the very low-income households.

As shown in Table 74, the pipeline projects and projected ADUs have already met and exceeded the low- and above moderate RHNA for Gilroy by 11% and 48%, respectively.

Table 74: Pipeline Projects and ADUs Progress Towards RHNA

		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
A	<u>RHNA</u>	<u>669</u>	<u>385</u>	<u>200</u>	<u>519</u>	<u>1,773</u>
B	<u>Pipeline Projects</u>	<u>76</u>	<u>387</u>	<u>3</u>	<u>756</u>	<u>1,222</u>
C	<u>ADUs</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>14</u>	<u>140</u>
D	<u>Surplus / (Deficit) of RHNA</u>	<u>(551)</u>	<u>44</u>	<u>(155)</u>	<u>251</u>	<u>-</u>
E	<u>Percent Surplus Met by ADUs and Pipeline Projects</u>	<u>-</u>	<u>11%</u>	<u>-</u>	<u>48%</u>	<u>-</u>

Target Sites Capacity – 15% No Net Loss Buffer

Changes to state law require jurisdictions to continually maintain adequate capacity in their site inventories. In the event that a site is developed below the anticipated density or at a different income level than projected in the Housing Element, the City must still have adequate sites available to accommodate the remaining balance of the RHNA. Alternatively, the City may identify new sites or rezone sites to continue to accommodate the remaining need. A buffer is not required for RHNA income categories that have been met by pipeline projects or projected ADUs. For this reason, the City is including a buffer of 15 percent above the unmet RHNA in each income category. Table 75 identifies the total target capacity based on the RHNA plus 15 percent of any unmet RHNA. As shown, the pipeline projects (Row B) and projected ADUs (Row C) are subtracted from the RHNA (Row A) to determine the unmet RHNA (Row D). The unmet RHNA of 551 very low- and 155 moderate-income units is multiplied by 15 percent (Row E). Note that because the RHNA has been met for the low- and above moderate-income categories, there is no unmet RHNA and no target buffer for these income levels. Row F sums the RHNA (Row A) and the 15 percent of the unmet RHNA (Row E) to show the total target sites capacity.

Table 75: Target Sites Capacity (15% No Net Loss Buffer of Unmet RHNA)

		Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
<u>A</u>	RHNA	669	385	200	519	1,773
<u>B</u>	<u>Pipeline Projects</u>	<u>76</u>	<u>387</u>	<u>3</u>	<u>756</u>	<u>1,222</u>
<u>C</u>	<u>ADUs</u>	<u>42</u>	<u>42</u>	<u>42</u>	<u>14</u>	<u>140</u>
<u>D</u>	<u>Unmet RHNA (A-B-C)</u>	<u>551</u>	<u>-</u>	<u>155</u>	<u>-</u>	<u>706</u>
<u>E</u>	<u>Target Buffer (15% of Unmet RHNA) (D*0.15)</u>	<u>83</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>106</u>
<u>F</u>	<u>Unmet RHNA + Target Buffer (D+E)</u>	<u>634</u>	<u>-</u>	<u>178</u>	<u>-</u>	<u>812</u>

Realistic Capacity

State law requires that a jurisdiction project realistic estimates for housing capacity on its RHNA sites. The realistic capacity of sites may be calculated using recent project history, a minimum density, or other methods. As a majority of growth is expected to take the form of multifamily housing, recently constructed multifamily projects were reviewed to understand and establish historical trends for multifamily housing development in the City. The realistic capacity calculation also takes into account recent inquiries and permits for uses in zones that allow mixed-use or stand-alone commercial uses.

The Downtown Specific Plan allows 100 percent commercial in all six of its zones. Three Downtown Specific Plan districts allow 100 percent residential uses, and mixed-use residential is encouraged in all zones. Mixed -use could also include mixed -commercial (e.g., retail and office). Residential uses are unconditionally permitted on the second story and above in all Downtown Specific Plan zones. Any time these uses are proposed for the ground level or first floor (sidewalk level), a conditional use permit is required. This has been taken into account through both site selection and a reduction from maximum yield.

Approximately 29.9 percent of the very low-income opportunity site units and approximately 44.9 percent of the moderate-income opportunity site units are located in the City's Downtown Expansion District (20.4% and 44.9%) and First Street Corridor District (9.5% and 0%). To increase the likelihood that sufficient RHNA units are built in these two districts, the City added Program E - 12 (Downtown Expansion District and Mixed-Use Corridor Flexibility). This Program will allow 100 percent residential projects in the Downtown Expansion District and flexibility for non-residential units in the First Street Mixed Use Corridor, should projects meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

Local Data

To understand development trends in the City, recent inquiries and permit applications were reviewed. In discussions with City staff, including one planner who has worked for the City of Gilroy for over 30 years, staff noted that inquiries coming into the City are primarily for 100 percent residential or mixed-use. Although 100 percent commercial use is allowed, City staff has not seen a demand for new 100 percent commercial projects. The exception to this is new commercial uses occupying existing commercial buildings that don't require significant upgrades. When mixed use is required, staff stated that developers typically propose a minimal amount of commercial square footage, citing concerns over the viability of commercial uses outside the downtown core. In cases where the likelihood of commercial vacancies is high, staff is generally supportive of amending the zoning to allow 100 percent residential uses.

Inquiries and submittals have included residential uses on upper stories, applications for adaptive reuse of existing historic buildings (i.e., tenant improvements), new commercial uses (e.g., new restaurant) in existing buildings, and new construction and redevelopment (e.g., adding new square footage). For example, the City is currently processing a preliminary application to add two new stories of residential uses to an existing two-story building located at 7541 Monterey Road in the City's Downtown Historic District.

Development inquiries and proposals illustrate the trend of maximizing residential and minimizing commercial uses in mixed-use zones. Additionally, as noted above Program E - 12 would allow stand-alone residential projects in the Downtown Expansion District and flexibility for non-residential uses in the First Street Mixed-Use Corridor, should the projects meet certain criteria to provide housing for special needs groups.

Multifamily developments in the City have had success in meeting the densities allowed by the zoning ordinance. Recent projects in multifamily zones, their land uses, zones, and densities are shown in Table 76. Eight of the eleven recent projects have achieved a yield over 100 percent of the maximum density. The average of these yields is 125 percent, suggesting that most developments are able to meet the maximum density, or in the case of zones with no maximum density, a density of at least 30 dwelling units (du) per acre. For projects in zones that allow densities of up to or greater than 30 du/acre, the average density of recent projects is 33.1 du/acre. Three of these recent projects utilized density bonuses: the JEMCOR apartments, Hecker Pass apartments, and the First and Kern apartments.

The Cannery Apartments project yields a noticeably lower percentage of the maximum density than the other projects on the list. This is due to an environmental constraint and easement. Miller Slough runs through the northern part of the parcel and there was also a homeless encampment within the upper Miller Slough drainage channel which separates the Forest Park single-family development from the Cannery development. Accordingly, there is an "Easement, Joint Use and Maintenance Agreement" encumbering this development. Disregarding the Miller Slough on the northern portion of the parcel, the yield is closer to 70%.

Table 76: Example Multifamily Project Densities

Project	Land Use	Zoning	Project Density	Number of Units	Max Density	Yield Percentage
The Cannery Apartments	Cannery District DTSP	CD	21.1	104	40	53%
Cantera Commons Mixed-Use Apts	Downtown Expansion District DTSP	DED	34.5	10	N/A*	115%
Alexander Station Apts	Downtown Expansion District DTSP	DED	38.7	263	N/A*	129%
Monterey/Gilroy Gateway Apts	Gateway District DTSP	GD	40.3	75	30	134%
Kern Ave Apts	Low Density	R3	13.7	27	16	86%
Royal Way Townhomes (proposed)	Medium Density	R3	13.4	45	16	83%
Hecker Pass Apts	Medium Density	R3	26.2	100	16	164%
Gurries Duets	Medium Density	R3	17.4	4	16	109%
Gurries Townhomes	Medium Density	R3	21.1	4	16	132%
JEMCOR Apts	High Density	R4	30.8	120	30	103%
Harvest Park Apts	Neighborhood District	ND	35.2	81	30**	117%

Source: City of Gilroy.

* The DED district in the Downtown Specific Plan has no maximum density. As such, a maximum density of 30 was used to ensure suitability for low-income development per HCD guidelines.

** The ND designation has a variety of densities within the designation, and there is no one maximum density for the zone.

Table 77 shows the assumed yields for higher density zones in the City. The yields were determined based on recent multifamily trends and development standards assessed in the constraints section. Though recent projects suggest that most projects in Gilroy are achieving the maximum, or close to the maximum, density on sites, conservative yields were assumed for the purposes of RHNA projection. The simple average yield is 101 percent, and the weighted average based on the number of units is 109 percent. All of the assumed yields in Table 77 are significantly below the observed yields and averages. For example, recent multifamily projects in the DED and DHD zones have been developed at densities of 34.5, 38.7, and 40.3 du/acre. Although the DED and DHD districts do not have maximum densities, the

yield was conservatively assumed at 100 percent of 30 du/acre. The five R3 sites averaged 92 percent yield versus the assumed yield of 70 percent.

Table 77: Assumed Yields

Zone	Maximum Density	Yield	Estimated Yield Density
R3	20 du/acre	70%	14 du/acre
R4	30 du/acre	80%	24 du/acre
CD	40 du/acre	70%	28 du/acre
DED	30 du/acre*	100%	30 du/acre
DHD	30 du/acre*	100%	30 du/acre
GD	30 du/acre	80%	24 du/acre
Mixed-Use Corridor	30 du/acre	70%	21 du/acre

* The DED and DHD districts have no maximum density.

Assumed Affordability

Density

The California Government Code states that if a local government has adopted density standards consistent with the population-based criteria set by the state, then HCD must accept sites with those density standards as appropriate for accommodating the jurisdiction's share of lower-income units. For Gilroy, this density is 30 du/acre. The selected RHNA sites within the R4 zone, mixed-use corridor on First Street, and CD, DED, DHD, and GD districts in the Downtown Specific Plan meet the requirements of Government Code Section 65583.2(c)(3)(B). Table 78 shows the income levels, densities, and their implementing zones in Gilroy.

Moderate-income housing can be accommodated through medium- and higher-density zones, with maximum densities ranging from 15 to 30+ du/ac. These densities support a variety of multifamily housing typologies, including townhomes and garden-style apartments, which may be affordable to moderate-income households. Above moderate-income housing needs may be met through lower-density, single-family typologies, typically in the 0 to 15 du/ac range.

Table 78: Densities, Affordability, and Implementing Zones

Income	Density Range (du/acre)	Gilroy Implementing Zone
Above Moderate	0-15	RH, LDR, RR, ND
Moderate	15-30	MDR, ND, TD, DHD, DED, TD, CD, GD, R3, R4
Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4
Very Low	30+	HDR, MU, ND, DHD, DED, CD, GD, R4

Size

Pursuant to state law, RHNA sites accommodating lower-income units must have areas between 0.5 and 10 acres, regardless of allowed density. The identified RHNA sites for lower-income units meet these criteria. Sites that may otherwise meet the 30 du/ac default density but are smaller than 0.5 acres are presumed to be affordable to moderate-income households.

The exception to this is one 0.49-acre vacant parcel in the mixed-use corridor. The site is part of a cluster of three vacant sites in the First Street mixed-use corridor (APNs: 790 39 019, 790 39 029, and 70 39 030). It is anticipated that this site could be developed together with the two other sites, which have acreages of 0.55 and 0.97. Even if the site is developed on its own, the 0.49-acre site is functionally the same as a 0.5-acre site for the purpose of its development.

Environmental and Infrastructure Constraints

The Opportunity site inventory analysis takes into consideration any environmental constraints such as habitat, flood, noise hazards, and steep slopes, among others. Any environmental constraints that would lower the potential yield (e.g., steep slopes) have already been accounted for in the site/unit capacity analysis. In general, the deductions in yield from the maximum will cover and accommodate any reductions in site capacity due to environmental constraints.

Local Data

The 2005 Downtown Specific Plan IS/MND analyzed 416 parcels and approximately 160 acres, and identified one contaminated site at 7301-7363 Monterey Road. A Phase I Environmental Site Assessment was completed in 2016, and cleanup was deemed not necessary. The following are two examples of recent projects that completed an environmental analysis.

- The ROEM development was submitted with a Phase I Environmental Site Assessment in August 2022. The study did not identify evidence of Recognized Environmental Conditions or Controlled Recognized Environmental Conditions in connection with the property; however, the report recommended subsurface investigation due to the historical use of the property as an auto dismantling storage yard from approximately

1963 to 2014. The applicant did not reduce the capacity of the project due to these contaminants and has not asked for any concessions related to the contaminants.

- An initial study / Mitigated Negative Declaration (MND) was prepared for the Monterey Gateway projects and identified no significant adverse effects on the environment.

There are no RHNA sites with known contamination, and no sites were identified as having contamination in either the 2040 Gilroy General Plan EIR or the Downtown Specific Plan MND.

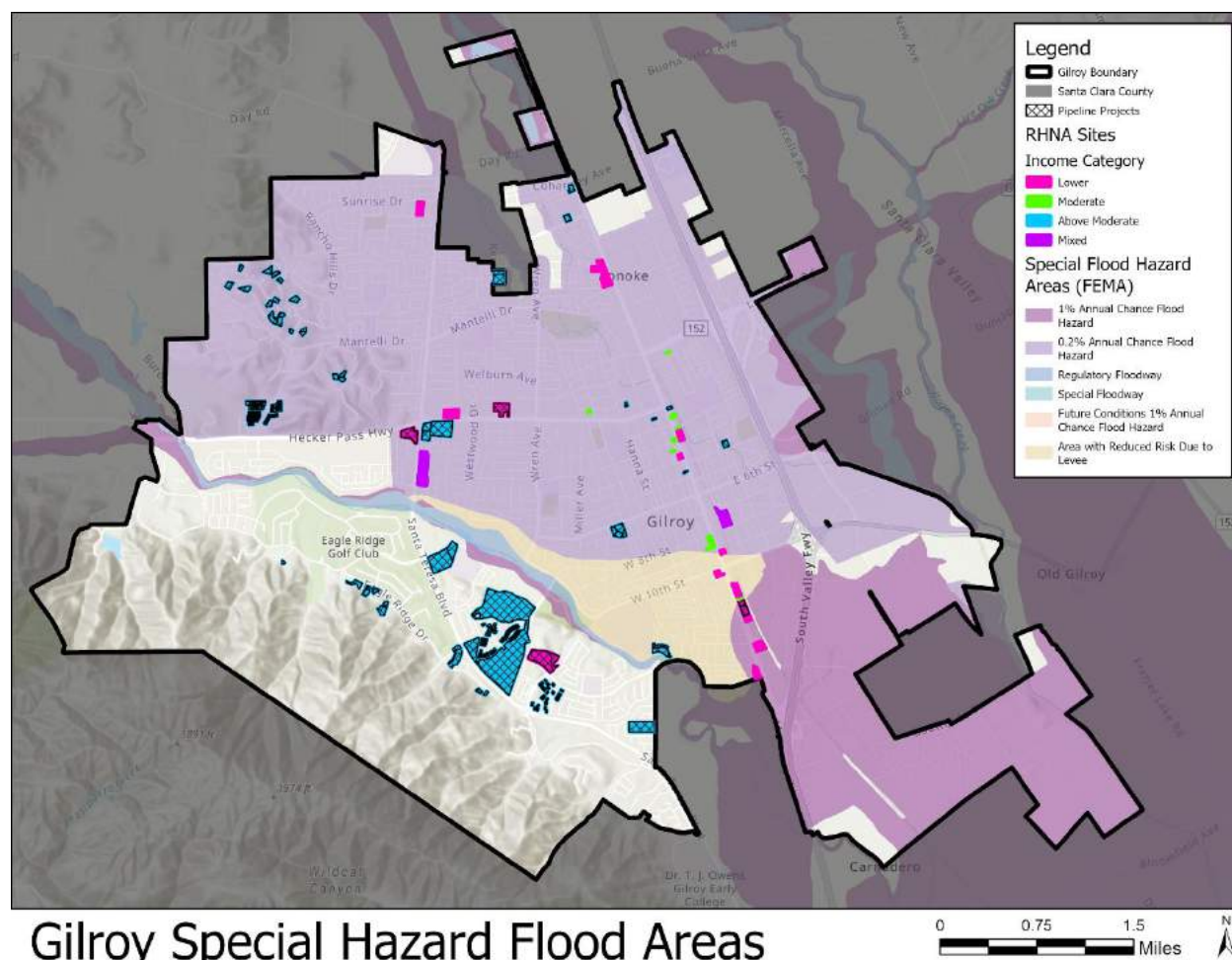
Flooding

Portions of Gilroy fall into flood hazard zones as defined by the Federal Emergency Management Agency (FEMA). The City has been a participating community in the National Flood Insurance Program since August 1, 1980. Figure 45 displays the special flood hazard areas in Gilroy. The northern part of the City falls into flood zone "X", which has a 0.2 percent annual chance of flooding; these areas are not subject to special standards. The large majority of the City has some amount of flood risk.

The southeast portion of the City is within the "AH" flood zones, which indicate areas that are subject to inundation by 1 percent annual chance of shallow flooding. Seven sites located along Monterey Street are within this zone, including three proposed for low-income development. The City's standards for development in the identified flood areas were adopted in 2016.³⁹ The City allows for residential development within its floodplains, provided mitigating strategies and design choices are made to ensure safety and limit flood damage. In "A" flood zones, the construction must be elevated to or above the base flood elevation and the lowest floor must be elevated at least one foot above the base flood elevation. While the requirements for floodplain development may act as minor constraints to housing production, they are not expected to reduce development yields or preclude new housing production in general. Most of the recent and pipeline projects that are not a part of the Hecker Pass or Glen Loma Specific Plans are located in a flood zone. This includes the Cannery apartments, First and Kern apartments, Harvest Park apartments, and JEMCOR apartments.

The City does not have any RHNA sites within floodways, which is a water channel that directly conveys stormwater and experiences rapid velocities during wet weather events.

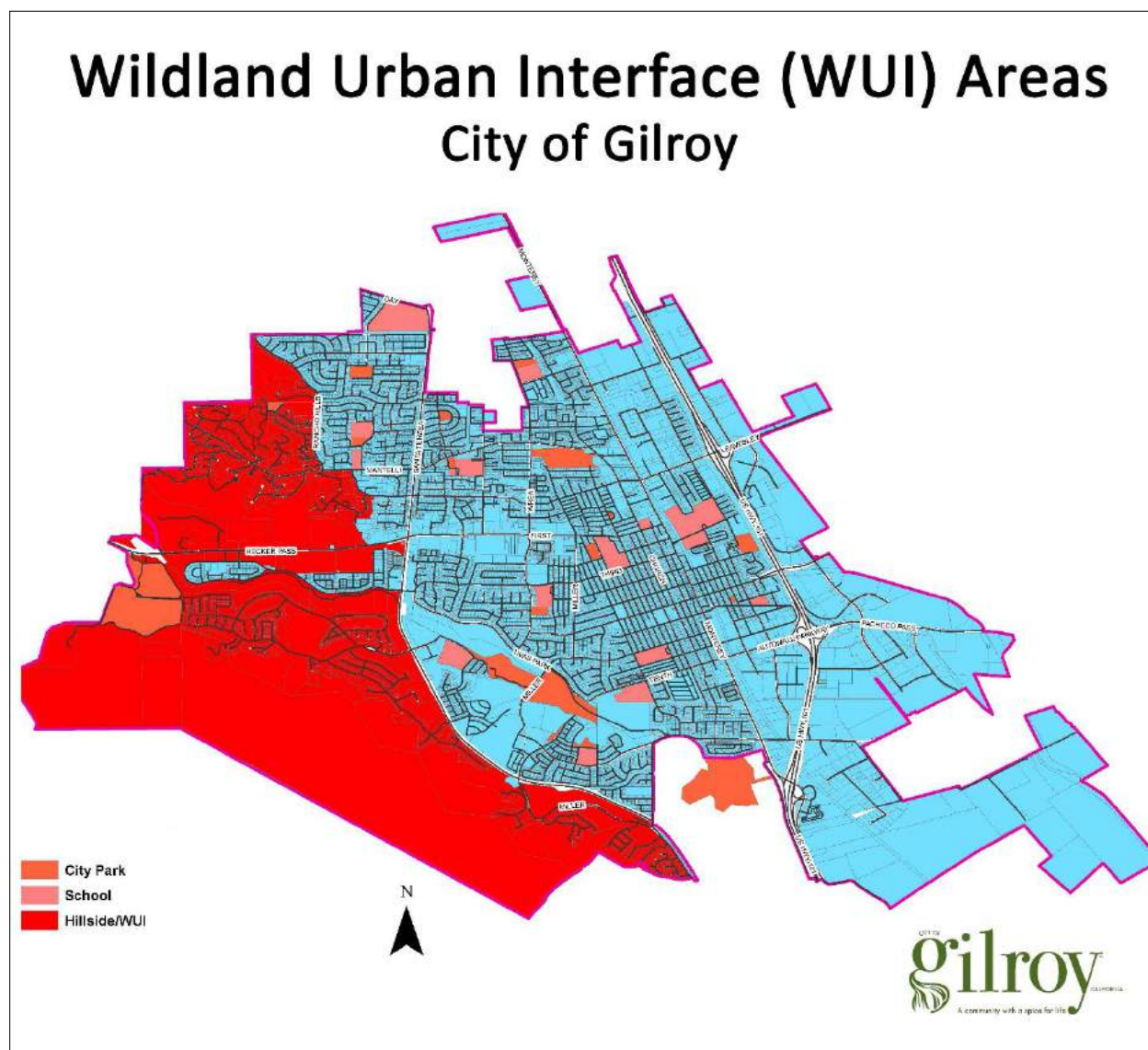
³⁹ City of Gilroy Floodplain Ordinance. <https://ca-gilroy.civicplus.com/DocumentCenter/View/6324/Gilroy-Flood-Ordinance-Update?bidId=>

Figure 45: Gilroy Special Flood Hazard Areas

Source: Federal Emergency Management Agency.

Fire

Although the City of Gilroy does not have any areas identified by the state as very high fire severity zones, the City has identified properties for potential fire risk through its own Wildland Urban Interface (WUI) area map, as shown in Figure 46. According to FEMA, the adoption and effective implementation of up-to-date building codes is the most effective community mitigation measure. Furthermore, the City's development standards recommend that people living in the WUI areas prepare for wildfires by maintaining adequate defensible space around their property, hardening their home by using building materials and installation techniques that increase resistance to heat, flames, and embers, and having a pre-evacuation plan prepared in the event of a wildfire and subsequent evacuation orders. The majority of the Gilroy Designated WUI is zoned for open space, Residential Hillside (RH, areas with 10%–30% slopes), R1, and the Hecker Pass Special Use District. None of the RHNA sites are within the WUI areas.

Figure 46: Gilroy Wildland Urban Interface Areas

Source: City of Gilroy.

Infrastructure

The City has enough capacity to accommodate the entire RHNA site inventory within the Urban Service Area, where the City is committed to providing basic infrastructure services for urban development. Full urban-level infrastructure services, including water and sewer, are available throughout the City and to the sites in the RHNA inventory. Program E - 1 states that the City will work with public service providers to ensure there is the prioritization of services to housing developments serving lower-income households.

Entitled and Pending Pipeline Projects

Per the HCD Sites Inventory Guidebook, the City may credit sites that have been proposed, approved, or given a certificate of occupancy since the beginning of the RHNA projected period.⁴⁰ Table 79 includes pipeline projects (proposed, entitled, permits issued) that had not received certificates of occupancy as of June 30, 2022. The City has approved or received multiple applications for housing developments in the City. Pipeline project unit counts were based on City approved entitlements, building permits issued, and submitted applications. The City has reviewed the pipeline projects and there are no known barriers to development, phasing, or other relevant factors that would prohibit the pipeline projects from being completed. Any phasing or build-out horizons are considered in unit counts.

All of the lower income units identified in Table 79 are (or will be) deed restricted for a period of 55 years.

- The First and Kern and Hecker Pass apartments are both density bonus projects that are deed restricted for 55 years. The First and Kern and Hecker Pass apartments affordable units were under construction in April 2023 with final occupancy anticipated in spring 2023.
- The Glen Loma Apartment Project is subject to the 15 percent affordable unit requirement under the Neighborhood District Policy and has a 55-year regulatory agreement. Final occupancy of the Glen Loma affordable units is also anticipated in spring 2023.
- The 94-unit affordable project at 6630--6680 Monterey Street was under review by the Planning Department in April 2023. The environmental review and planning entitlements are anticipated to be complete by the end of 2024. Assuming a two-year construction timeline, this project would potentially be occupied in 2026.

City staff anticipates that the City's allocation of above-moderate income units will be completed and exceeded during the 2023-2031 planning period.

All pipeline project units are anticipated to be completed in the planning period. The City will monitor the actual units constructed and income/affordability when the pipeline projects are developed as a part of Program A - 1. If the pipeline projects are not developed or are developed with fewer RHNA units than anticipated, the City will identify additional RHNA sites needed to make up the loss. Sites will be identified from the No Net Loss Inventory List created through Program A - 1.

⁴⁰ HCD Sites Inventory Guidebook https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

Table 79: Pipeline Projects Counted in 6th Cycle (Proposed, Entitled, Permits Issued)

PIPELINE PROJECTS	Status	Very Low	Low	Moderate	Above Moderate	Total
<u>JEMCOR First & Kern Apts.</u> <u>975 First Street</u>	<u>Building Permits Issued on 4-21-2021</u>	<u>36</u>	<u>83</u>	<u>1</u>	<u>-</u>	<u>120</u>
<u>JEMCOR Village at Santa Teresa Apartments</u> <u>1520 Hecker Pass</u>	<u>Building Permits Issued 04-12-2022</u>	<u>20</u>	<u>79</u>	<u>1</u>	<u>-</u>	<u>100</u>
<u>Glen Loma BMR Apartments</u> <u>1301-1345 Luchessa Ave</u>	<u>Building Permits Issued 06-11-2020</u>	<u>-</u>	<u>152</u>	<u>-</u>	<u>-</u>	<u>152</u>
<u>Glen Loma, Royal Way, and Gurries Townhomes</u>	<u>Various stages of review/issuance</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326</u>	<u>326</u>
<u>7888 Monterey Mixed-Use Project</u>	<u>Building Permit Applied 09-22-21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
<u>108 Chickadee Lane Mixed-Use Project</u>	<u>Submitted to Planning 05-24-22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>
<u>6630-6680 Monterey Street Affordable Housing Project</u>	<u>Submitted to Planning 12-07-22</u>	<u>20</u>	<u>73</u>	<u>1</u>	<u>-</u>	<u>94</u>
<u>Single Family Homes, Subdivisions</u>	<u>Various stages of review/issuance</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>408</u>	<u>408</u>
Total		<u>76</u>	<u>387</u>	<u>3</u>	<u>756</u>	<u>1,222</u>

Source: City of Gilroy.

Accessory Dwelling Units (ADUs)

The City of Gilroy has seen the number of ADU permits increase over recent years. A section of the City website is dedicated to ADU information, including FAQs, links to helpful resources, required documents, and the template to deed-restrict ADUs and junior ADUs. Table 80 displays ADU development trends in Gilroy. Based on the average number of building permits for ADUs in the last four years (15.75), the City is conservatively projecting 140 ADUs over the 2023–2031 6th cycle. The City is not relying heavily on projected ADUs to meet its RHNA (less than 7 percent of the RHNA plus the buffer).

The City is including Programs A - 6 ([ADU Tracking and Monitoring](#)), A - 7 ([ADU Pre-Designed Plans](#)), A - 8 ([Financial Incentives for Affordable ADUs](#)), Program A - 15 ([ADU Ordinance Updates](#)), and G - 3 ([ADU Education](#)) to incentivize and specifically facilitate ADU construction

for lower-income households per California Government Code Section 65583(c)(7). Furthermore, Program A - 6 (ADU Tracking and Monitoring) requires an update to the ADU strategy if annual production and affordability rates fall below the estimates.

Table 80: ADUs Toward the RHNA

Year	# of ADUs
2018	7
2019	16
2020	13
2021	27
Average	15.75

Source: City of Gilroy.

Assumed Affordability

The levels of affordability assumed for the 140 ADUs projected during the 6th Cycle period is based off the ABAG affordability survey data.⁴¹ The study allocated 30 percent of ADUs in each of the very low-, low-, and moderate-income categories, and the remaining 10 percent in the above moderate-income category. Table 81 displays the assumed affordability and projected number of ADUs in each income category.

Table 81: ADU Affordability Assumptions

Percent	Income Category	# of ADUs
30%	Very Low	42
30%	Low	42
30%	Moderate	42
10%	Above Moderate	14
		140 ADUs (total)

Source: ABAG ADU Technical Assistance Memo, City of Gilroy.

Ability to Meet the RHNA

As shown in Table 82, the City has identified sufficient capacity to meet Gilroy's RHNA, in addition to a 15 percent buffer, without rezoning. California Government Code Section 65583.2 (c) states that cities must have a program to facilitate by-right approval for projects that include at least 20 percent of the units for lower-income housing on rezoned low-income sites. The

⁴¹ ABAG ADU Technical Assistance Memo. <https://abag.ca.gov/sites/default/files/documents/2022-03/ADUs-Projections-Memo-final.pdf>

City of Gilroy is not rezoning any sites to meet the RHNA. Thus, this provision is not applicable to the RHNA sites inventory for Gilroy.

Table 82: RHNA Capacity and Buffer

	Category	Very Low	Low	Moderate	Above Moderate	Total
A	RHNA Assessment	669	385	200	519	1,773
B	Pipeline Projects (Table 79)	76	387	3	756	1,222
C	ADUs (Table 80)	42	42	42	14	140
D	Unmet RHNA (A - B - C)	551	-	155	-	720
E	Vacant Opportunity Sites (Table 84)	324	-	116	-	440
F	Non-Vacant Opportunity Sites (Table 85)	329	-	62	-	391
G	Opportunity Site Capacity (E + F)	653	-	178	-	831
H	Total Capacity (B + C + G)	771	429	223	770	2,193
J	Surplus of RHNA (H - A)	102	44	23	251	420
K	% Buffer Above Unmet RHNA ((G - D) / D)	19%	-	15%	-	-

Lower Income Capacity

Government Code Section 65583.2(g)(2) states that housing elements relying on non-vacant sites for greater than 50 percent of its lower-income households need to demonstrate that the existing use does not constitute an impediment to additional residential development. Fifty percent of the 1,054 lower-income RHNA is 527 units. The requirements of Government Code Section 65583.2(g)(2) do not apply to Gilroy, since only 31.2 percent of the proposed lower-income RHNA sites (including the buffer) are met through non-vacant sites ($329/1,054 = 31.2\%$). The remaining lower-income (low and very low) RHNA units are met through pipeline projects, ADUs, and vacant sites, as illustrated elsewhere in this chapter.

Table 83: Lower Income RHNA Capacity

Category	Lower Income Capacity (VLI + LI)	% of Lower Income RHNA (1,054 Units)
Pipeline Projects (Table 79)	463 (76 + 387)	43.9%
ADUs (Table 80)	84 (42 + 42)	8.0%
Vacant Opportunity Sites (Table 84)	324 (324 + 0)	30.7%
Non-Vacant Opportunity Sites (Table 85)	329 (329 + 0)	31.2%

Category	Lower Income Capacity (VLI + LI)	% of Lower Income RHNA (1,054 Units)
Total Lower Income Sites	1,200 (771 + 429)	113.9%

There are enough pipeline projects to fully meet the above moderate and the low-income RHNA categories, as shown in Table 74. There is also sufficient capacity with pipeline projects, ADUs, and opportunity sites to meet the City's RHNA for all income categories with a 15 percent buffer for the unmet RHNA, as shown in Table 82.

Zoning for Moderate and Above Moderate Households

Pursuant to Government Code Section 65583.2(c)(4), at least 25 percent of the remaining moderate and above moderate RHNA sites are zoned for at least four units of housing (e.g., fourplex or greater). As shown in Table 82, above moderate sites are met entirely through pipeline projects and ADU projections (756 and 14 units, respectively). The 770 units exceed the above moderate RHNA allocation (519) by 251 units. There is no remaining above moderate RHNA that needs to be identified.

There is a remaining need of 155 moderate units after pipeline projects and projected ADUs. The Opportunity Sites Inventory identifies 178 moderate-income RHNA opportunity site units. Of these, 167 are on sites that allow for at least four units of development. Only 11 moderate units are identified on sites that allow for less than four units of housing. Thus, the City is compliant with Government Code Section 65583.2(c)(4). The allocation of moderate units on a site-by-site basis is shown in Appendix B.

Market Demand

The following inquiries for residential development act as indicators for potential development throughout the City:

- Inquiries from two different parties to redevelop property located at 7744 and 7740 Egleberry Street with residential uses
- Inquiry on upzoning the vacant parcel at 820 Sunrise Drive to higher density residential
- 7050 Monterey Road (and the two non-vacant parcels on either side of it)
- 1355 First Street
- 1440 Ponderosa - large vacant site on west side
- 8955 Monterey Road
- APN 841-13-022 - vacant Pacific Railroad / future High Speed Rail site
- APN 790 36 012 - car lot, Church/Howson northeast corner, west of Church, east of Monterey
- APN 790-35-001 and 790-36-02 -- two vacant parcels, west of Church, east of Howson / Monterey

Opportunity Site Details

The Opportunity Site selection process examined zoned capacity, existing uses, and recent development trends to determine which parcels to include to meet the remaining RHNA after considering pipeline projects and ADUs. Both vacant and non-vacant sites are included in the Opportunity Sites Inventory. The opportunity site selection process took site characteristics, surrounding uses, and development constraints into consideration when evaluating each site's development potential. To meet the RHNA for lower-income households, the Opportunity Sites Inventory relies on sites with densities that allow for at least 30 du/acre. To meet the RHNA for moderate-income households, the inventory relies on sites zoned for up to 20 du/acre in the medium density General Plan land use category. In addition, smaller sites (< 0.5 acres), zoned for up to and greater than 30 du/acre, may be suitable for moderate-income households. For a detailed analysis of the sites as they relate to affirmatively furthering fair housing, see the Affirmatively Furthering Fair Housing chapter.

Vacant Sites

A portion of the RHNA will be met on vacant land that is zoned for residential use. Per HCD's Housing Element Sites Inventory Guidebook, a vacant site is one "without any houses, offices, buildings, or other significant improvements [...] or structures on a property that are permanent and add significantly to the value of the property."⁴² Table 84 displays the capacity of residentially zoned vacant sites included in the Opportunity Sites Inventory. A total of 440 lower- and moderate-income units can be accommodated with currently vacant residentially zoned land. This includes 324 very low units and 116 moderate-income units.

Table 84: Residential Vacant Sites Capacity

Zone	Capacity
First Street Mixed-Use Corridor	30
Downtown Specific Plan	<u>171</u>
Neighborhood District	31
R3	<u>6</u>
R4	<u>202</u>
Total	<u>440</u>

Non-Vacant Sites

As shown in Table 82 and Table 83, only 329 (31.2%) of the 1,054 lower-income RHNA units will be met by non-vacant RHNA opportunity sites. When considering both lower-income (329 units) and moderate income (62 units), 391 units are accommodated through non-vacant

⁴² HCD Housing Element Sites Inventory Guidebook. https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

opportunity sites. Table 85 summarizes the capacity of non-vacant sites included to meet the RHNA broken down by their existing General Plan use. As shown in Table 85, the 391 non-vacant site units are located in the First Street mixed-use corridor (32 units), the R4 zone (109 units), Downtown Specific Plan areas (229 units), and the Public Facility zone (21 units).

Table 85: Non-Vacant Site Capacity

Existing GP Use	Capacity
First Street Mixed-Use Corridor	32
Downtown Specific Plan	<u>229</u>
R4	<u>109</u>
PF	21
Total	<u>391</u>

Source: City of Gilroy.

Non-Vacant Site Details

Local Data

The City has seen recent interest in redevelopment of non-vacant sites for affordable and market-rate housing. This includes a project proposed in 2022 for a 94-unit, 100 percent lower-income project on three parcels in the Gateway District in the Downtown Specific Plan area. Current uses on these parcels include a two-story office building, multiple single-story commercial structures, and their paved parking areas. Another project proposed on a non-vacant site includes the development of an affordable housing project on land owned by Santa Clara County that currently consists of four large structures. The City of Gilroy and the Santa Clara County Office of Supportive Housing entered into a Memorandum of Understanding in October 2022 regarding the development of 57 units for households earning less than 80 percent of AMI. This project is not included in RHNA projections since a formal proposal has not yet been received. The City has also received interest in developing market-rate housing from a developer for a parcel that includes a car dealership in Downtown.

These projects demonstrate the viability and interest in redeveloping non-vacant sites in downtown Gilroy, including for both affordable and market-rate housing. These sites have similar zoning and characteristics to the proposed RHNA sites and therefore demonstrate the strong likelihood of meeting the projected construction of units within the next 8 years.

The following section provides further detail on each of the non-vacant sites identified in the inventory. The non-vacant sites were selected based on their existing uses, capacity for residential redevelopment, and their high potential for short-term redevelopment. Land-improvement ratios were also calculated and considered in site selection. The comparison of assessed values for land and improvements (land-improvement ratios) is a reliable indicator of whether and to what extent sites are utilized. Typically, a newly improved site will have a

ratio of well under 0.2, or where the improvements are valued at five times the value of the land.

R4 Northern Cluster



The parcels at 8985, 8955, and 8915 Monterey Road are all R4 zoned sites adjacent to one another, which provides an opportunity for consolidation. There are no existing residential uses on the sites. Their combined acreage is 3.59 acres. The combined realistic capacity for these sites is 86 lower-income units. The northern and central buildings were built prior to 1956. There is no maximum FAR and no maximum density in the R4 zone.

8985 Monterey Road (R4 High Density)

The 0.80-acre site at 8985 Monterey Road is currently occupied by a preschool and day care center. More than half of the lot is a parking lot and is underutilized relative to its potential under the current zoning. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The land-improvement ratio for this site is 1.05. The realistic capacity for this site is 19 units. The site could be developed to retain the existing use in either existing or new buildings as part of new residential development.



8955 Monterey Road (R4 High Density)

The 2.05-acre site at 8955 Monterey Road is currently occupied by a church, a closed commercial building that was formerly the office of a general contractor, and several storage containers.

Commercial structures on the lot are single story, while the church is partially two stories. Approximately half the site is used for parking or vehicle access. It is located in the center of an existing residential community, making this site optimal for further residential development. There is potential for partial redevelopment of the site, on the western portion of the site, which could maintain some of the existing uses during redevelopment. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 49 units. It may be possible to achieve this capacity while maintaining some of the existing uses, specifically the church.



8915 Monterey Road (R4 High Density)

The 0.74-acre site at 8915 Monterey Road is currently occupied by a used car sales lot. It is located in the center of an existing residential community, making this site optimal for further residential development. The site is near several restaurants and gyms, as well as a large park and a grocery store, which provide necessary resources for residents. It is nearly all surface parking, with no expensive or modern permanent structures that would preclude redevelopment. The land-improvement ratio for this site is 19.01. The realistic capacity for this site is 18 units.



R4 Northern Cluster	Description		
APNs	<u>790-14-025</u>	<u>790-14-075</u>	<u>790-14-091</u>
Size (Ac)	<u>2.05</u>	<u>0.74</u>	<u>0.80</u>
Zoning	<u>R4</u>		
General Plan Designation	<u>High Density Residential</u>		
Current Use	<u>Commercial</u>	<u>Commercial</u>	<u>Preschool</u>
Land Improvement Ratio	<u>N/A</u>	<u>19.01</u>	<u>1.05</u>
Within 1 mile of:			
Daycare	<u>Yes - Little Blue Star Daycare, 826 Mantelli Dr</u>		
Grocery	<u>Yes - Lopez Produce Market, 8655 Monterey Hwy</u>		
School	<u>Yes - Vine Academy, 8455 Wren Ave</u>		
Income Category	<u>Lower</u>		
Total Units	<u>49</u>	<u>18</u>	<u>19</u>

Monterey Cluster 1 (Downtown Expansion District)

The parcels at 7191, 7161, 7121 Monterey Street and Monterey Street (west side), north of W Ninth Street are all adjacent to one another, which provides an opportunity for a larger moderate-income residential community. The sites are near several restaurants, a grocery store, and a train station, which provide necessary resources for residents. Their combined acreage is 1.32 acres. The combined realistic capacity for these sites is 40 units.



Mixed-use projects have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac. There is no maximum density. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

7191 Monterey Street (Downtown Expansion District)

The 0.34-acre site at 7191 Monterey Street is currently partially occupied by a vacant single-story office space. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and potential lot consolidation. The land-improvement ratio for the site is 0.64. The realistic capacity for this site is 10 moderate-income units. Under

Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7161 Monterey Street (Downtown Expansion District)

The 0.32-acre site at 7161 Monterey Street is currently partially occupied by a small plumbing and auto sales office that was built in 1930 (non-historic). More than half of the lot is parking for the used cars being sold by the dealer. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio for this site is 1.90. The realistic capacity for this site is 10 moderate-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



Monterey Street (west side), north of W Ninth Street (Downtown Expansion District)

The 0.30-acre site at Monterey Street is currently entirely used as a parking lot or for the used cars being sold by the auto dealer on the adjoining parcel. Redevelopment of this site would benefit the community as its single level use as a parking lot renders the land underutilized and below its zoning potential. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 9 moderate-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential

uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7121 Monterey Street (Downtown Expansion District)

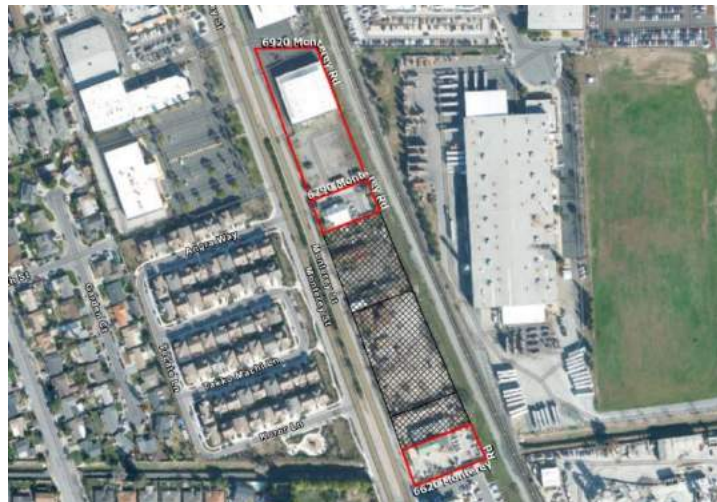
The 0.36-acre site at 7121 Monterey Street is currently half occupied by a seafood restaurant with some outdoor dining spaces. More than half of the lot is a parking lot or for vehicle access and is underutilized land. It is adjacent to an existing residential community, making this site optimal for further residential development and lot consolidation. The land-improvement ratio is 1.24. The realistic capacity for this site is 11 moderate-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



Monterey Cluster 1	Description			
APNs	<u>799-10-033</u>	<u>799-10-034</u>	<u>799-10-048</u>	<u>799-10-049</u>
Size (Ac)	<u>0.34</u>	<u>0.32</u>	<u>0.30</u>	<u>0.36</u>
Zoning	<u>DED – Downtown Expansion District</u>			
General Plan Designation	<u>Downtown Specific Plan</u>			
Current Use	<u>Commercial</u>	<u>Commercial</u>	<u>Parking Lot</u>	<u>Commercial</u>
Land Improvement Ratio	<u>0.64</u>	<u>1.90</u>	<u>N/A</u>	<u>1.24</u>
Within 1 mile of:				
Daycare	<u>Yes - Hunny Bunny Daycare, 7361 Egleberry St</u>			
Grocery	<u>Yes - Gilroy Valley Market, 7237 Monterey Hwy #6921</u>			
School	<u>Yes - Glen View Elementary School, West 8th St</u>			
Income Category	<u>Moderate</u>			
Total Units	<u>10</u>	<u>10</u>	<u>9</u>	<u>11</u>

Monterey Cluster 2 (Gateway/-Downtown Expansion District)

The parcels at 6790 and 6620 Monterey Road are both in Gateway District zoned sites adjacent to one another in the Downtown Specific Plan area. 6920 Monterey Road in the Downtown Expansion District and is also included in this group of sites. These sites provide an opportunity for a larger residential community and a potential for lot consolidation. The sites are near several restaurants, a bulk grocery store, and a high school, which provide necessary resources for residents. These sites all have high land-improvement ratios



indicating strong potential for redevelopment. These sites are adjacent to a proposed project located at 6730, 6630, and 6680 Monterey Street, which are denoted with a crosshatch in the aerial above. Their combined acreage is 2.61 acres and the combined realistic capacity is 73 units. This cluster of sites spans two districts. Mixed-use projects in the Downtown Expansion District have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac (there is no maximum density). Mixed-use projects in the Gateway District have a maximum FAR of 0.75, while stand-alone residential projects have a maximum 30 du/ac density. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential

uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).

6920 Monterey Road (Downtown Expansion District)

The 1.69-acre site at 6920 Monterey Road is currently about two-thirds underutilized vacant lot, with the only building being a permanently closed furniture store. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 0.81. The realistic capacity for this site is 51 lower-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



6790 Monterey Road (Gateway District)

The 0.39-acre site at 6790 Monterey Road currently has an electric company building occupying about 25 percent of the parcel, while the large majority of the site is an underutilized surface parking lot. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 2.37. The realistic capacity for this site is 9 moderate-income units. It is possible these units could be built without displacing the existing use.



6620 Monterey Road (Gateway District)

The 0.53-acre site at 6620 Monterey Road is currently almost all parking lot and vehicle access, with a small commercial construction building. It is adjacent to an existing residential community, making this site optimal for further residential development. The site has a land-improvement ratio of 3.33. The realistic capacity for this site is 13 lower-income units.



Monterey Cluster 2	Description		
<u>APNs</u>	<u>841 14 006</u>	<u>841 14 081</u>	<u>841 14 083</u>
<u>Size (Ac)</u>	<u>0.39</u>	<u>0.53</u>	<u>1.69</u>
<u>Zoning</u>	<u>GD – Gateway District</u>	<u>GD – Gateway District</u>	<u>DED – Downtown Expansion District</u>
<u>General Plan Designation</u>	<u>Downtown Specific Plan</u>		
<u>Current Use</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Parking</u>
<u>Land Improvement Ratio</u>	<u>2.37</u>	<u>3.33</u>	<u>0.81</u>
<u>Within 1 mile of:</u>			
<u>Daycare</u>	<u>Yes - Clever Kidz Home Daycare, 295 London Dr</u>		
<u>Grocery</u>	<u>Yes - Smart & Final Extra!, 250 E 10th St</u>		
<u>School</u>	<u>Yes - Glen View Elementary School, West 8th St</u>		
<u>Income Category</u>	<u>Moderate</u>	<u>Very Low</u>	<u>Very Low</u>
<u>Total Units</u>	<u>9</u>	<u>13</u>	<u>51</u>

Monterey Cluster 3 (Gateway District)

The parcels at 6320, 6470, and 6380 Monterey Road are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near a park, a school, and a grocery outlet, which provide necessary resources for residents. Their combined acreage is 2.06 acres and the combined realistic capacity is 48 units. Mixed use projects in the Gateway District have a maximum FAR of 0.75, while stand-alone residential projects have a maximum 30 du/ac density.



6320 Monterey Road (Gateway District)

The 0.55-acre site at 6320 Monterey Road is currently occupied by a single-family home and a permanently closed hardware store. Half of the parcel is an underutilized empty lot, making this site optimal for further residential development. The land-improvement ratio for the site is 0.87. The realistic capacity for this site is 12 lower-income units.



6380 and 6470 Monterey Road (Gateway District)

The 0.77- and 0.74-acre sites at 6380 and 6470 Monterey Road are currently an unoccupied former lumber yard and associated buildings. The majority of the parcels are vacant and underutilized. They are adjacent to an existing residential community, making these sites optimal for further residential development. The land-improvement ratio for these sites is 1.25 and 22.52, respectively. The realistic capacity for each site is 18 lower-income units.



Monterey Cluster 3	Description		
<u>APNs</u>	<u>841 14 015</u>	<u>841 14 036</u>	<u>841 14 037</u>
<u>Size (Ac)</u>	<u>0.55</u>	<u>0.74</u>	<u>0.77</u>
<u>Zoning</u>	<u>GD – Gateway District</u>		
<u>General Plan Designation</u>	<u>Downtown Specific Plan</u>		
<u>Current Use</u>	<u>Single - Family Residential</u>	<u>Industrial</u>	<u>Industrial</u>
<u>Land Improvement Ratio</u>	<u>0.87</u>	<u>22.52</u>	<u>1.25</u>
<u>Within 1 mile of:</u>			
<u>Daycare</u>	<u>Yes - Clever Kidz Home Daycare, 295 London Dr</u>		
<u>Grocery</u>	<u>Yes- Smart & Final Extra!, 250 E 10th St</u>		
<u>School</u>	<u>Yes - Gilroy High School, 750 W 10th St</u>		
<u>Income Category</u>	<u>Very Low</u>		
<u>Total Units</u>	<u>12</u>	<u>18</u>	<u>18</u>

Monterey Cluster 4 (Downtown Expansion District)

The parcels at 7780, 7760, and 7700 Monterey Road are all adjacent to one another in the Downtown Specific Plan area, which provides an opportunity for a larger residential community and lot consolidation. The sites are near multiple schools and a grocery store, which provide necessary resources for residents. Their combined acreage is 1.75 acres. The combined realistic capacity for these sites is 52 units. Mixed use projects in the Downtown Expansion District have a maximum FAR of 2.5 and a minimum residential density of 20 du/ac (there is no maximum density). Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7780 Monterey Road (Downtown Expansion District)

The 0.44-acre site at 7780 Monterey Road is currently occupied by a single-story office space and a small shed. About 25 percent of the parcel is an underutilized surface lot. Businesses that occupy the site seem to have limited hours, which may eliminate the need for an office space. There is also the possibility for a mixed-use development without displacement of existing businesses. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 13 moderate-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7760 Monterey Road (Downtown Expansion District)

The 0.7-acre site at 7760 Monterey Road is currently occupied by a single-story strip mall that includes a restaurant and a window tinting business. About 75 percent of the parcel is an underutilized surface lot with vehicle access both in front of and behind existing businesses. Development without displacement of existing businesses is possible. The land-improvement

ratio for the site is 1.35. The realistic capacity for this site is 21 lower-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



7700 Monterey Road (Downtown Expansion District)

The 0.61-acre site at 7700 Monterey Road is currently occupied by a single-story small office park. Over half the site is underutilized lot and vehicle access. The land-improvement ratio for the site is 0.75. The realistic capacity for this site is 18 lower-income units. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



Monterey Cluster 4	Description		
APNs	<u>841 04 018</u>	<u>841 04 019</u>	<u>841 04 020</u>
Size (Ac)	<u>0.61</u>	<u>0.70</u>	<u>0.44</u>
Zoning	<u>DED – Downtown Expansion District</u>		
General Plan Designation	<u>Downtown Specific Plan</u>		
Current Use	<u>Office</u>	<u>Commercial</u>	<u>Office</u>
Land Improvement Ratio	<u>0.75</u>	<u>1.35</u>	<u>N/A</u>
Within 1 mile of:			
Daycare	<u>Yes - Forget Me Not Day Care, 7661 Rosanna St</u>		
Grocery	<u>Yes- El Charrito Market, 7638 Monterey Hwy</u>		
School	<u>Yes - Gilroy Prep School, 277 IOOF Ave</u>		
Income Category	<u>Very Low</u>		<u>Moderate</u>
Total Units	<u>18</u>	<u>21</u>	<u>13</u>

Monterey Street south of Ninth Street (Downtown Expansion District)

The 0.5-acre site is adjacent to a parking lot and railway and is surrounded by residential, industrial, and commercial land uses. This parcel is currently a storage yard for trucks and is a large, paved parking area. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 0 as there are no structures on-site. The realistic capacity for this site is 16 lower-income units. The zoning allows a density range of up to 30 du/net acre in the Downtown Expansion District– within the Downtown Specific Plan Area. Under Program E - 12 (Downtown Expansion District Flexibility), the City would allow 100 percent residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).





<u>Monterey St., south of Ninth St. (Downtown Expansion District)</u>	<u>Description</u>
<u>APNs</u>	<u>841 14 001</u>
<u>Size (Ac)</u>	<u>0.5</u>
<u>Zoning</u>	<u>DED – Downtown Expansion District</u>
<u>General Plan Designation</u>	<u>Downtown Specific Plan</u>
<u>Current Use</u>	<u>Storage</u>
<u>Land Improvement Ratio</u>	<u>0</u>
<u>Within 1 mile of:</u>	
<u>Daycare</u>	<u>Yes – Hunny Bunny Daycare, 7361 Egleberry St.</u>
<u>Grocery</u>	<u>Yes – Grocery Outlet, Smart & Final; E. 10th St.</u>
<u>School</u>	<u>Yes – Glen View Elementary School, 600 W 8th St</u>
<u>Income Category</u>	<u>Very Low</u>
<u>Total Units</u>	<u>16</u>

Other Zoning Districts and Designations

880 Sunrise Drive (PF)

The 1.98-acre site at 880 Sunrise Drive is currently two-thirds occupied by a City of Gilroy fire station. The remainder of the site is vacant. The PF zone permits all facilities owned or leased, operated, or used by the City or other governmental agencies on the site. It is located in the center of an existing residential community in a higher resource area of the City, making this site optimal for further residential development. The site is near several schools and a daycare center, which provide necessary resources for residents. The assessor data did not provide a value for improvements on this parcel so the land-improvement ratio could not be calculated. The realistic capacity for this site is 21 lower-income units on the vacant land and parking lot portions of the site, while retaining the existing fire station.



880 Sunrise Drive	Description
APNs	<u>783 20 050</u>
Size (Ac)	<u>1.98</u>
Zoning	<u>PF – Park/Public Facilities District</u>
General Plan Designation	<u>Low Density Residential</u>
Current Use	<u>Fire Station</u>
Land Improvement Ratio	<u>N/A</u>
<u>Within 1 mile of:</u>	
<u>Daycare</u>	<u>Yes - Kool Kids Day Care, 1030 Cheyenne Dr</u>
<u>Grocery</u>	<u>No - Safeway, 905 First St (2.2 miles)</u>
<u>School</u>	<u>Yes - Christopher High School, 850 Day Rd</u>
Income Category	<u>Very Low</u>
Total Units	<u>21</u>

1335 First Street (First Street Mixed-Use Corridor)

The 0.55-acre site is adjacent to two vacant parcels also listed on the sites inventory, with strong potential for redevelopment of all three parcels. This lot is currently occupied by a two-story commercial building which includes a dental care office and a permanently closed pregnancy resource center. The building was built between 1968 and 1980. The site has a



land-improvement ratio of 0.50. Existing uses are not expected to preclude development of this site. The realistic capacity for this site is 12 lower-income units. The General Plan allows a density range of 20-30 du/net acre in the Mixed-Use land use designation. There are no floor area standards for the residential portion of mixed-use projects. Under Program E - 12 (First Street Corridor Mixed-Use District Flexibility), the City would allow flexibility for the non-residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



1335 First Street	Description
APNs	<u>790 39 029</u>
Size (Ac)	<u>0.55</u>
Zoning	<u>C3 – Shopping Center Commercial District</u>
General Plan Designation	<u>Mixed Use</u>
Current Use	<u>Office</u>
Land Improvement Ratio	<u>0.5</u>
Within 1 mile of:	
<u>Daycare</u>	<u>Yes - Sunnyside Daycare, 7962 Westwood Dr A305</u>
<u>Grocery</u>	<u>Yes - Safeway, 905 First St</u>
<u>School</u>	<u>Yes - Rod Kelley Elementary School, 8755 Kern Ave</u>
Income Category	<u>Very Low</u>
Total Units	<u>12</u>

1395 First Street (First Street Mixed-Use Corridor)

The 0.97-acre site is adjacent to two vacant parcels and one other non-vacant parcel also listed on the sites inventory, with strong potential for redevelopment of all four parcels. This lot is currently occupied by a one-story building, which contains a martial arts studio, and a large surface parking lot. The building was built between 1987 and 1998. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 0.45. The



realistic capacity for this site is 20 lower-income units. The General Plan allows a density range of 20-30 du/net acre in the Mixed-Use land use designation. There are no floor area standards for the residential portion of mixed-use projects. Under Program E - 12 (First Street Corridor Mixed-Use District Flexibility), the City would allow flexibility for the non-residential uses on this site should the project meet certain criteria or provide housing for special needs groups (e.g., extremely low-income).



<u>1395 First Street</u>	<u>Description</u>
<u>APNs</u>	<u>790 39 020</u>
<u>Size (Ac)</u>	<u>0.97</u>
<u>Zoning</u>	<u>C3 – Shopping Center Commercial District</u>
<u>General Plan Designation</u>	<u>Mixed Use</u>
<u>Current Use</u>	<u>Office</u>
<u>Land Improvement Ratio</u>	<u>0.45</u>
<u>Within 1 mile of:</u>	
<u>Daycare</u>	<u>Yes - Sunnyside Daycare, 7962 Westwood Dr A305</u>
<u>Grocery</u>	<u>Yes - Safeway, 905 First St</u>
<u>School</u>	<u>Yes - Rod Kelley Elementary School, 8755 Kern Ave</u>
<u>Income Category</u>	<u>Very Low</u>
<u>Total Units</u>	<u>20</u>

8897 Monterey Road (R4)

The 0.95-acre site is adjacent to a vacant parcel and is surrounded by residential and commercial land uses. This parcel is currently occupied by four single-story buildings that comprise a Budget Motel and a large paved and unpaved parking area. The primary buildings were built in 1952 and the last building was constructed between 1968 and 1980. Existing uses are not expected to preclude development of this site. The site has a land-improvement ratio of 2.09. The realistic capacity for this site is 23 lower-income units. The zoning allows a density range of up to 30 du/net acre in the R4 High Density Residential zone.



8897 Monterey Road	Description
<u>APNs</u>	<u>790 15 041</u>
<u>Size (Ac)</u>	<u>0.95</u>
<u>Zoning</u>	<u>R4 – High Density Residential</u>
<u>General Plan Designation</u>	<u>General Services Commercial</u>
<u>Current Use</u>	<u>Commercial</u>
<u>Land Improvement Ratio</u>	<u>2.09</u>
<u>Within 1 mile of:</u>	
<u>Daycare</u>	<u>Yes - Tiny Tots Preschool & Daycare, 8985 Monterey Hwy</u>
<u>Grocery</u>	<u>Yes - Lopez Produce Market, 8655 Monterey Hwy</u>
<u>School</u>	<u>Yes - Rod Kelley Elementary School, 8755 Kern Ave</u>
<u>Income Category</u>	<u>Very Low</u>
<u>Total Units</u>	<u>23</u>

Financial Resources

The Housing Element serves, in part, to identify what actions can be taken to support the production of housing. Through collaboration with City staff, service providers, and the community, the City's Housing Element identifies financial resources that support housing production.

Countywide Programs

2016 Measure A – Affordable Housing Bond

In November 2016, Santa Clara County voters approved Measure A, the \$950 million affordable housing bond. The housing bond provides the County with an unprecedented opportunity to partner with cities, residents, and the affordable and supportive housing community to significantly address the housing needs of the community's poorest and most vulnerable residents. It provides affordable housing for vulnerable populations, including veterans, seniors, the disabled, low- and moderate-income individuals or families, foster youth, victims of abuse, homeless persons, and individuals suffering from mental health or substance abuse illnesses. The bond proceeds would contribute to the creation and/or preservation of approximately 4,800 affordable housing units in Santa Clara County.

The housing bond will enhance the County's ability to achieve its housing priorities which include:

- Increasing the scope and breadth of supportive housing for special needs populations, including homeless and chronically homeless persons;
- Increasing the supply of housing that is affordable to extremely low-income households; and
- Improving coordination and collaboration among the County, the cities, other governmental agencies, and the affordable housing community.

About \$7.5 million in Measure A funds was used to develop the Monterey Gateway Senior Apartments, a 75-unit affordable housing complex for low-income seniors that was constructed in Gilroy in 2020.

MHSA Housing Program

The California Department of Mental Health, the California Housing Finance Agency, and the County Mental Health Directors Association announced a new housing program in 2016 under which \$400 million in Mental Health Services Act (MHSA) funds were made available to finance the capital costs associated with development, acquisition, construction, and/or rehabilitation of permanent supportive housing for individuals with mental illness and their families, especially including unhoused individuals. The new MHSA Housing Program, and funds for capitalized operating subsidies, are included in the \$400 million that has been designated for the program.

This program will serve persons with serious mental illness who are currently unhoused or at risk of homelessness and who meet the MHSA Housing Program target population description. Santa Clara County's allocated amount is \$19,249,300, of which \$6,416,400 can be used for capitalized operating subsidies. MHSA funding pays only for housing units designated to qualified consumers.

The Sobrato Transitional Apartments is an MHSA housing project in Gilroy. The Sobrato Transitional Apartments, developed and constructed by South County Housing Corporation, provides 35 single-occupancy studio units in Gilroy for unhoused individuals with incomes below 30 percent of the area median income (AMI). The South County Housing Corporation will set aside 17 units for individuals that are currently unhoused or at risk of becoming homeless due to mental illness.

U.S. Department of Housing and Urban Development (HUD) Grants

HOME

The HOME Program is federally funded by HUD to provide decent affordable housing to lower-income households. The HOME Program is administered on behalf of the Santa Clara County Urban County cities, which includes Gilroy.

Community Development Block Grant

The City of Gilroy is an entitlement jurisdiction participating in HUD's Community Development Block Grant (CDBG) Program. A requirement of receiving CDBG funds is the City having a five-year Consolidated Plan, which identifies local community development needs and sets forth a strategy to address these needs over a five-year period. The City's current 5-Year Consolidated Plan spans July 1, 2020 – June 30, 2025.

Developing an Annual Action Plan (AAP) for each of the fiscal years within the Consolidated Plan is also required. AAPs program the use of federal funding for their respective fiscal year by outlining which specific projects or programs will receive funding from the annual allocation. Funding available for housing assistance programs from the state and federal governments is extremely limited. The AAP, which gives a complete breakdown of public service descriptions and use of funds, is available on the City's website.

For the 2021-2022 and 2022-2023 fiscal years, the City of Gilroy allocated approximately \$440,000 (each year) in CDBG funds from HUD. The CDBG program aims to support activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need, through grants for eligible activities. A breakdown of CDBG-funded agencies are listed below:

Table 86: CDBG Funded Agencies

Activity Name	2020/2021 Entitlement	2021/2022 Entitlement	2022/2023 Entitlement
Program Administration	\$97,250	\$87,874	\$87,635
Gilroy Youth Center	\$38,452	\$38,452	\$38,452
Rebuilding Home Repair Program	\$144,364	\$140,000	\$140,000
Gilroy Compassion Center	\$16,318	-	-
Live Oak Adult Day Care	\$11,549	\$8,560	\$10,000
Meals on Wheels	-	\$8,643	-
Community Outreach PREP	-	\$10,250	-
Boys & Girls Club - Core Enrichment	-	-	\$8,500
C.A.R.A.S - Ryse Up Program	-	-	\$8,500
Cherry Blossom Rehab	-	\$81,475	-
Monterey Gateway Improvements	-	\$70,592	-
Code Enforcement	\$7,700	-	-
Sidewalk / Curb Ramp CIP Project	\$156,155	-	\$145,090

Source: City of Gilroy, 2022.

CDBG CARES ACT-Coronavirus (CDBG-CV) Funds

CDBG-CV funds were specifically made available for programming that would address the impacts resulting from the COVID-19 pandemic, and include the following programs:

Table 87: CARES Act CDBG-CV Funds

Activity Name	Entitlement
St. Joseph's Rental Assistance	\$150,000
Small Business Assistance	\$125,486
Small Business Assistance	\$100,000
St. Joseph's Rental Assistance	\$137,309
YMCA Healthy Food Delivery	\$100,359

Source: City of Gilroy, 2022.

Rental Assistance/Subsistence Program

The St. Joseph's Rental Assistance program utilizes CARES Act funding for Gilroy residents needing rental assistance. Rent relief is provided to persons and households directly affected by the COVID-19 pandemic.

Small Business Relief Grant Program

The Small Business Assistance Program, originally developed in 2020, includes \$435,000 in professional support for local businesses with processing applications for federal and state loans/grants. This program aligns with the purpose of the CARES Act to provide small grants (\$5,000 to \$10,000) to help local businesses cope with the COVID-19 related economic downturn by providing funds needed for working capital that will result in low-income jobs being retained and/or created.

Housing Trust Fund

The City had historically allocated funding for services related to housing and homelessness through its Housing Trust Fund (HTF). The City Council replaced the HTF with the Permanent Local Housing Allocation (PLHA) Fund, making more funds available for public service programs addressing basic needs and homelessness prevention. The HTF will continue to be used to partially cover staff and consulting service costs to monitor affordable rental and ownership agreements, until the money is depleted.

Permanent Local Housing Allocation Fund

The PLHA Fund spans a five-year period and will make available \$1.4 million. The City is contracting with Santa Clara County's Office of Supportive Housing to administer the programs under the PLHA Consortium Agreement. The following agencies were approved by the City Council for FY 22-23 and FY 23-24:

Table 88: Permanent Local Housing Allocation Funds for FYs 2022-2024

Agency	Funded Services	Funding Amount
St. Joseph's Family Center	<u>Emergency rental assistance, utility assistance, and other supportive programs that help diminish the risk of becoming homeless</u>	<u>\$110,000</u>
St. Joseph's Family Center	<u>Training and employment readiness to prepare individuals that are homeless or at risk of homelessness for stability and greater self-sufficiency</u>	<u>\$70,000</u>
Project Sentinel	<u>Fair housing services and investigates complaints to address housing discrimination for Gilroy residents</u>	<u>\$40,000</u>
Project Sentinel	<u>Landlord-tenant counseling and dispute resolution program to help resolve housing conflict and protect Gilroy residents from displacement</u>	<u>\$40,000</u>
The Health Trust	<u>Meals to low income and homebound seniors at risk of food insecurity, allowing them to remain in their homes</u>	<u>\$54,000</u>
South County Compassion Center	<u>Services to unhoused Gilroy residents to meet their basic needs and to connect them with services that can help them attain permanent housing</u>	<u>\$80,000</u>
Community Agency for Resources Advocacy and Services	<u>Rental and deposit assistance to prevent homelessness for Gilroy families and individuals</u>	<u>\$40,000</u>
Silicon Valley Independent Living Center	<u>Counseling for Gilroy residents with disabilities, emergency rental assistance, and housing search services to obtain safe, affordable, and accessible long-term housing</u>	<u>\$40,000</u>

Source: City of Gilroy, 2023.

Housing Choice Voucher Program

The Housing Choice Voucher (HCV) program is a rental assistance program that helps very low-income families to live in market-rate housing units rather than public housing. Households are provided with vouchers that are paid to private market-rate landlords, who are then reimbursed by HUD. In addition to the regular voucher program, Santa Clara County Housing Authority (SCCHA) administers special housing programs. These programs include the Veterans Affairs Supportive Housing (VASH) Program, Mainstream Program, and Emergency Housing Vouchers (EHV).

- The VASH Program is for homeless veterans with severe psychiatric or substance abuse disorders. The Veterans Affairs Palo Alto and SCCHA have partnered to provide rental

vouchers and supportive services to eligible veterans. The veteran must demonstrate to the VA Medical Center that they are homeless (has been living outdoors, in a shelter, in an automobile, etc.) before being evaluated for this program.

- The Mainstream Program is designed to provide assisted housing to persons with disabilities to enable them to rent suitable and accessible housing in the private rental market. Mainstream applicants are offered a voucher as allocations become available. Applicants must be participating in programs of rehabilitation and/or support services within the community that are directly related to their disability.
- The EHV program is available through the American Rescue Plan Act. Through EHV, HUD provided SCCHA with 664 housing vouchers to assist individuals and families who are homeless, at risk of homelessness, were recently homeless or have a high risk of housing instability; or who are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking.

Project-Based Voucher Program

The Project-Based Voucher Program provides rental assistance to households living in specific housing sites. Because the rental assistance is tied to a particular unit, a family cannot retain the assistance if they move (voluntarily or through eviction). The Housing Authority administers different waiting lists by bedroom size for each project-based housing site. These housing sites are either multifamily or senior housing developments.

Statewide Resources

There are a variety of statewide programs and resources available. The City receives regular notification regarding state and federal funding and grant opportunities. Additionally, the City pursues grants on a programmatic and project basis for active programs and projects in Gilroy.

Senate Bill 2 (SB 2) Grant. In 2020, the City was awarded \$160,000 in SB 2 grant funding to create and adopt objective design standards for mixed-use and multifamily residential projects in Gilroy. The City also used the funding to create and adopt objective design standards for SB 9 projects. The project was eligible for funding under the SB 2 Policy Priority Area *Objective Design and Development Standards*. The goal of the project was to create objective design standards that would increase consistent decision making; minimize applicant delays; better utilize staff resources; and promote/require good design principles in Gilroy to help ensure that housing development projects conform to the City's minimum design expectations.

Local Early Action Planning (LEAP) Grant. In 2020, the City was awarded \$150,000 in LEAP grant funding. A portion (or potentially all) of the funding will be used to help supplement costs associated with preparation of the 2023-2031 Housing Element.

Regional Early Action Planning (REAP) Grant. In 2021, the City was awarded \$32,603 in REAP grant funding to further supplement costs associated with preparation of the 2023-2031 Housing Element.

The No Place Like Home Program

The No Place Like Home Program provides loans to eligible counties to acquire, design, construct, rehabilitate, and/or preserve permanent supportive housing for persons who are experiencing homelessness or chronic homelessness, or who are at risk of chronic homelessness, and who need mental health services. Projects funded through this program must be apartment complexes of five or more units.

Administrative Resources

The City of Gilroy's Community Development Department consists of the Housing and Community Development (HCD) Division, the Planning Division, and the Building and Safety Division which includes code enforcement. The Community Development Department helps implement several of the programs outlined in this Housing Element with the help of the City's HCD Technician. The Community Development Director manages the City's Housing and Community Development program and administers the CDBG funds, the City's PLHA Fund, and the former HTF. The Planning Division reviews land-use entitlement applications and is responsible for the implementation of the General Plan, Zoning Ordinance, and adopted specific plans. The Building and Safety Division processes and issues building permits, conducts plan reviews, conducts building inspections, and resolves land-use related violations through Code Enforcement.

CITY OF GILROY

HOUSING ELEMENT

6TH CYCLE

HOUSING GOALS, POLICIES, AND PROGRAMS

Housing Goals, Policies, and Programs

The section of the Housing Element outlines the City of Gilroy's goals, policies, and implementation programs for the preservation, conservation, improvement, and production of housing for the 2023 – 2031 planning period. The goals, policies, programs, and quantified objectives are designed to help ensure housing opportunities for all existing and future residents of the community.

Housing Production

Goal 1

HOUSING PRODUCTION

Provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types

Policy 1.1: The City shall encourage the provision of a variety of housing options for Gilroy residents.

Policy 1.2: The City shall strive to ensure adequate land is available at a range of densities to meet Gilroy's existing and projected housing needs.

Policy 1.3: The City shall encourage the provision of new affordable housing.

Policy 1.4: The City shall encourage partnerships between non-profit and for-profit housing developers to encourage affordable housing production.

Policy 1.5: The City shall continue to implement the Downtown Specific Plan and encourage and coordinate activities with Downtown stakeholders.

Policy 1.6: The City shall support the development of workforce housing to enable the workforce to live in the community.

Removal of Governmental Constraints

Goal 2

REMOVAL OF GOVERNMENT CONSTRAINTS

Remove or reduce governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.

Policy 2.1: The City Shall periodically review City regulations, ordinances, permitting processes, and residential fees to ensure that they do not unreasonably constrain housing development and are consistent with State law.

Policy 2.2: The City shall continue to provide individuals with disabilities reasonable accommodation through flexibility in the application of land use or zoning when necessary to eliminate barriers to housing opportunities.

Policy 2.3: The City shall consider the development of single-room occupancy units, studio apartments, micro-units, and other similar unit types that are affordable to extremely low-income residents in higher-density areas of the City.

Housing Preservation and Rehabilitation

Goal 3

HOUSING PRESERVATION AND REHABILITATION

Maintain and conserve the existing housing stock in a sound, safe, and sanitary condition.

Policy 3.1: The City shall strive to preserve the affordability of existing below market rate housing units.

Policy 3.2: The City shall promote the maintenance and rehabilitation of structures in poor condition and take action to prevent poorly maintained properties from further deterioration.

Policy 3.3: The City shall encourage the retention and rehabilitation of older homes in and near the historic City Center and ensure that rehabilitation activities are sensitive to the historic character of the building and/or site.

Housing Assistance to Meet the Needs of All Income Levels

Goal 4

HOUSING ASSISTANCE TO MEET THE NEEDS OF ALL INCOME LEVELS

Encourage and support the provision of a variety of affordable housing types.

Policy 4.1: The City shall continue to participate in programs that assist lower- and moderate-income households to secure affordable housing, such as the County's Mortgage Credit Certificate program, Housing Choice Voucher programs, and Silicon Valley's assistance programs.

Policy 4.2: The City shall support homeownership opportunities for low- and moderate-income households.

Policy 4.3: The City shall provide incentives for affordable housing, including but not limited to the density bonus ordinance and expedited project review.

Special Housing Needs

Goal 5

SPECIAL HOUSING NEEDS

The City shall increase access to decent and suitable housing for Gilroy residents with special housing needs.

Policy 5.1: The City shall encourage housing opportunities for special needs groups, including: seniors; persons with disabilities, including developmental disabilities; the unhoused; large households; single female-headed households; and farmworkers.

Policy 5.2: The City shall encourage the development, rehabilitation, and preservation of affordable and market-rate housing for seniors, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

Policy 5.3: The City shall support efforts to provide emergency shelter, transitional housing, and permanent supportive housing for unhoused persons and those at risk of homelessness.

Policy 5.4: The City shall support the development of permanent and seasonal farmworker housing in appropriate areas of the City.

Policy 5.5: The City shall encourage affordable housing developments to include units that can accommodate large households of five or more.

Policy 5.6: The City shall encourage the development and maintenance of housing accessible to people with disabilities, including developmental disabilities.

Affirmatively Furthering Fair Housing

Goal 6

FAIR HOUSING

Ensure equal housing opportunities for all Gilroy residents regardless of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.

Policy 6.1: The City shall promote fair housing standards and comply with State laws.

Policy 6.2: The City shall refer discrimination complaints to Project Sentinel or other organizations that address housing discrimination.

Policy 6.3: The City shall prioritize economic investment and opportunity in the Downtown Specific Plan area, especially the Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) and the Equity and Engagement District (EED), which is the focus of the City's Environmental Justice goals, policies, and programs.

Education and Outreach

Goal 7

EDUCATION AND OUTREACH

Increase awareness of and participation in housing programs.

Policy 7.1: The City shall consolidate and disseminate housing related resources to provide better access to information on available housing programs and affordable housing units.

Policy 7.2: The City shall encourage the production of secondary units in single family districts through outreach and educational materials.

Policy 7.3: The City shall provide information on resources available to assist residents facing foreclosure.

Policy 7.4: The City shall encourage involvement of all Gilroy neighborhoods in the public decision-making process.

Quantified Objectives

Government Code Section 65583 (b) requires that quantified objectives be developed with regard to new construction, rehabilitation, conservation, and preservation activities that will occur during the eight-year Housing Element cycle. The quantified objectives set a target goal for Gilroy to achieve based on needs, resources, and constraints. State law recognizes that the total housing needs identified by a community may exceed available resources and the community's ability to satisfy this need. Table 89 summarizes Gilroy's quantified objectives for the 6th Cycle.

Table 89: Total Quantified Objectives, 2023 – 2031

Target	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
New Construction	334	335	385	200	519	1,773
<u>Conservation</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	-	<u>120</u>
Rehabilitation	80				-	80
Preservation	55			-	-	<u>55</u>
Total						<u>2,028</u>

Programs

The programs in this section of the Housing Element describe specific actions the City will carry out over the eight-year Housing Element cycle to satisfy the community's housing needs and meet the requirements of State law. The programs are organized by the following seven major housing goals:

- Housing Production
- Removal of Governmental Constraints
- Housing Preservation and Improvement
- Housing Assistance
- Special Housing Needs
- Affirmatively Furthering Fair Housing
- Education and Outreach

A. Housing Production

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 1	No Net Loss <u>Inventory and</u> Monitoring	To ensure that the City monitors its compliance with SB 166 (No Net Loss), the City will develop a procedure to and will track: - Unit count and income/affordability assumed on parcels included in the sites inventory. - Actual units constructed and income/affordability when parcels are developed. - Net change in capacity and summary of remaining capacity in meeting remaining RHNA. <u>To ensure the City has adequate sites to accommodate any net loss of Regional Housing Needs Allocation (RHNA) capacity due to development of RHNA sites or accessory dwelling units (ADUs) below projections, the City shall create a No Net Loss Inventory of replacement sites within 18 months of Housing Element certification. The backup replacement sites in the No Net Loss Inventory will be separate and distinct from the identified RHNA sites inventory included in Appendix B. The No Net Loss Inventory replacement sites are all appropriate for lower-income development based on the criteria used for RHNA site selection. The City has begun development of this list and initial estimates include capacity for approximately 600 units, if needed.</u> Quantified Objective: No net loss of capacity below the RHNA requirement during the planning period.	CDD	General Fund	Adopt procedure <u>and create No Net Loss Inventory by end of Q4 2024.</u> Review RHNA site status twice yearly and <u>update No Net Loss Inventory as necessary to maintain adequate RHNA sites.</u>

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 2	Surplus Lands/Affordable Housing on City-Owned Sites	Implement the Surplus Lands Act and report any City-owned surplus land in the Annual Progress Report. Provide affordable housing developers the first priority for designated surplus lands as applicable per Government Code Section 54227. Assess City-owned properties for their potential redevelopment or development for residential uses that include housing for extremely low-income households and those with special needs such as seniors and persons with disabilities. <u>Consider adding City owned parcels to the No Net Loss Inventory, as needed. Proactively advertise surplus land opportunities to affordable housing providers, the Santa Clara Office of Supportive Housing, and developers of special needs housing (e.g., extremely low income, disabled, farmworker housing).</u> <u>Quantified Objective:</u> <u>The City will contact affordable housing developers regarding any surplus lands, with the goal of developing at least 21 lower-income units during the planning period.</u>	CDD	General Fund	Report surplus lands in conjunction with the Annual Progress Report. <u>Advertise surplus land opportunities to affordable housing developers, as they become available. Review all City owned sites by the end of Q4 2025 to determine which additional sites could be declared as surplus.</u>
A - 3	By-Right Approval of Projects with 20 Percent Affordable Units on "Reused" RHNA Sites	Pursuant to the statutory requirements of Government Code Sections 65583.2(h) and (i), amend the Zoning Ordinance to require by-right approval of any "reuse" 4th and 5th Cycle sites being used to meet the 6th Cycle RHNA, if 20 percent of the units in the development are affordable to lower-income households.	CDD	General Fund	Within one year of Housing Element adoption <u>By end of Q4 2023.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 4	Publicize Residential Sites Inventory	The City shall make the residential sites inventory available to developers by publicizing it on the City website and providing copies of the inventory to developers. The City shall update the list of sites annually, or as projects are approved on the sites. Quantified Objective: Maintain accurate and publicly available residential sites inventory throughout the planning period.	CDD	General Fund	Post on website within six months of adoption <u>by end of Q4 2023</u> ; update annually.
A - 5	Revise Neighborhood District Policy	The City will revise the Neighborhood District Policy so it does not rely on the Residential Development Ordinance (RDO). Revisions to the policy include: - Studying and adopting an inclusionary housing policy and in-lieu fee for Neighborhood District areas. - Updating the Neighborhood District target densities, consistent with the Gilroy 2040 General Plan. - Adopting standards related to the distribution of units across the levels of affordability (e.g., 30% of the 15% affordable units shall be designated for low income). - Adopting standards related to the term of affordability (e.g., rental units shall be restricted as affordable for a minimum of 55 years).	CDD	General Fund	Within three years of Housing Element adoption <u>By end of Q4 2024.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 6	ADU Tracking and Monitoring	Continuously track the number of building permits issued for ADUs. The City will <u>also</u> review geographic distributions of ADUs biennially. <u>If the average ADU production is less than 25 units in years 2023, 2024, and 2025, the City will update the ADU strategy by the end of 2026. In this case, the City will hold a focus group event with local stakeholders in spring or fall 2026. The purpose of the collaborative meeting will be to identify appropriate ADU programs to help increase production. If necessary, the City will identify additional RHNA sites in No Net Loss Inventory, as discussed in Program A - 1.</u> Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 15.75 (2018-2021) to an average of approximately 25.	CDD	General Fund	Track ADU permits as they are submitted. Review ADU strategies annually as part of the Annual Progress Report process. <u>Hold a focus group event with local stakeholders in spring or fall 2026 if average ADU production is less than 25 in years 2023, 2024, and 2025. Identify additional programs or sites within six months of shortfall.</u>

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 7	ADU Pre-Designed Plans	The City will develop an ADU program that includes pre-designed “model” plans for ADUs that meet zoning and building, and fire codes. The program may be modeled after successful programs implemented in other cities. <u>To inform this effort, the City will work with the Santa Clara County Planning Collaborative and join the ADU Advisory Committee. The Collaborative and Advisory Committee are working on creating a sub-regional program of pre-designed ADU plans and a variety of ADU tools and resources that can be available to all residents and cities in Santa Clara County to encourage ADU production.</u> Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018–2021) to an average of approximately 25.	CDD	General Fund	<u>Within 3 years of Housing Element adoption By end of Q4 2024.</u>
A - 8	<u>Financial</u> Incentives for Affordable ADUs	Upon securing funding, the City will develop a financial assistance program for homeowners who build ADUs with an affordability restriction or commitment to offering housing choice vouchers. <u>If ADU production is lower than anticipated, the City will evaluate ADU impact fees as a potential constraint for affordable housing and update them as necessary to ensure the fees are consistent with regional trends and do not unreasonably constrain ADU development. This effort will complement Program A-6 (ADU Tracking and Monitoring)</u> The City will review successful programs from other cities or the Housing Trust of Silicon Valley and contact Community Development Financial Institutions for potential partnerships.	CDD	In-lieu fees, other applicable affordable housing funding	After program funding is secured and sufficient for the intended purpose. <u>Evaluate the effect of impact fees on ADU development by Q4 end of 2026 if ADU production is lower than anticipated in year 2025.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 9	Monitor Permit Requirements, Processing Procedures, and Land Use Controls	Implement the Land Management System for Tyler Technologies with a "go-live" date in 2023 and hold an outreach meeting to educate users on how to use the new permitting system. To assess the effectiveness of the new Land Management System, the City will survey users six months after its launch. The City will also create metrics that track the time to process permits. These metrics can be compared year-to-year to determine if the City's processes and procedures are efficient or need refinement. As a part of the City's outreach and engagement with developers, the City shall consult builders and other parties engaged in housing development activities to identify potential constraints in the City's permit requirements, processes, procedures, and land use controls and analyze potential streamlining where feasible. Outreach methods will include or be equivalent to the City's annual developer roundtable meeting. Quantified Objective: Increase the percentage of permits that are processed online. Decrease the time it takes to process permits.	CDD	General Fund	Survey six months after "go-live" date. Annual outreach to builders and developers, such as through the City's annual developer's roundtable meetings.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 10	Facilitate Missing Middle / Middle Income Housing	Amend the City Code to allow triplexes, and fourplexes to be approved ministerially <u>on corner lots with a minimum 6,000 sf lot size in the R1 and R2 zones (approximately 1,106 lots)</u> so long as the project complies with objective design standards. <u>This Program provides more flexibility than SB 9, by allowing triplexes or fourplexes, in lieu of a duplex with an ADU and a junior ADU. This program will also encourage the development of missing middle housing throughout the City, including high-resource areas primarily comprising detached single-family residences.</u> <u>Update the City's SB 9 policy and website to reflect the changes allowed under this program. Create an informational and promotional -pamphlet regarding opportunities to develop triplexes and fourplexes on corner lots in R1 and R2 zones. Provide the pamphlet online, at City Hall, and at informational booths where housing resources are provided (see Program G - 5).</u> Quantified Objective: Increased production and reduced permitting time and cost for triplexes and fourplexes. <u>Facilitate construction of 50 missing middle (duplex, triplex, quadplex) housing units over the 6th Cycle planning period.</u>	CDD	General Fund	Within two years of Housing Element adoption <u>By end of Q4 2024.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 11	Inclusionary Housing Policy	Conduct an inclusionary housing feasibility study to identify appropriate inclusionary requirements that will not constrain housing production. Review the City's existing Neighborhood District Policy and former RDO Exemption Policy as a benchmark for developing the inclusionary requirements (e.g., resale controls, minimum term [years of affordability], minimum percentage of units that must be restricted as affordable, minimum percentage within each affordability category). Develop an affordable housing policy to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing, such as smaller projects that cannot feasibly construct affordable housing. The inclusionary housing ordinance will include a requirement that the developer market the below market-rate units and accessible/adaptable units. Quantified Objective: Increased production of affordable housing within the City, including housing choice and mobility for lower-income households. Prioritize use of in-lieu fees to develop affordable housing options in higher resource areas of the City.	CDD	General Fund	By <u>end of Q4</u> 2024.

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 12	Incentives Beyond Density Bonus State Law	Study and consider adopting an affordable housing incentives policy above and beyond the minimum requirements of density bonus state law. Specifically consider additional incentives for households with special housing needs such as large households, extremely low-income households, farmworkers, and households with members with intellectual or developmental disabilities. In lieu of adopting a separate incentives / density bonus policy, the City could structure the Inclusionary Policy (A - 11) like a density bonus program with incentives that are tiered by level of affordability provided. Quantified Objective: Increased housing choice and mobility for special needs households.	CDD	General Fund	Within two years of Housing Element adoption By end of Q4 2025.
A - 13	Coordination with California High Speed Rail Authority	Continue to coordinate with the California High Speed Rail Authority so that the Station Area Plan includes the development of a mix of affordable and market-rate housing and commuter parking on the parcels associated with the High Speed Rail Station. Quantified Objective: Develop a specific commitment to housing development; set objective targets for the development of affordable and market-rate housing on the High Speed Rail site.	CDD, California High Speed Rail Authority	General Fund	Immediately and throughout the planning period until the Station Area Plan is complete.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 14	Coordination with Santa Clara County Office of Supportive Housing	The City will continue its partnership with Santa Clara County Office of Supportive Housing regarding development of affordable housing at the property at 8th and Alexander. This includes the offer of impact fee waivers through a memorandum of understanding approved by the Gilroy City Council and the County Board of Supervisors in September 2022. Next steps include community engagement and working on the City's priorities for the site (e.g., targeted income / special needs groups). Quantified Objective: Development of affordable housing on the 8th and Alexander property by the end of 2028.	CDD, Santa Clara County Office of Supportive Housing	General Fund	Continual partnership throughout the planning period. Anticipated project completion by <u>end of Q4</u> 2028.
A - 15	<u>ADU Ordinance Updates</u>	<u>The City worked in collaboration with the California Department of Housing and Community Development (HCD) on its current ADU ordinance. The City will continue to work with HCD to make necessary changes and ensure compliance with state law. prior to the end of 2023.</u> <u>To incentivize ADU production, the City will increase the allowable floor area from 1,000 square feet to 1,200 square feet. The City will also replace the ADU deed restriction requirement with an owner affidavit form that does not require recordation at the County. This change will accelerate and streamline the process for approving ADUs in the City. The City will use the affidavits to track the number of ADUs to ensure they are being built at the assumptions in the Housing Sites and Resources section.</u> Quantified Objective: <u>Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018–2021) to an average of approximately 25 over the 6th Cycle planning period.</u>	<u>CDD</u>	<u>General Fund</u>	<u>Within one year of Housing Element adoption By end of Q4 2023.</u>

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
A - 16	<u>Senate Bill (SB) 9 Processing</u>	<u>In conjunction with Program A-10 (Facilitate Missing Middle / Middle Income Housing), the City will update its SB 9 webpage to highlight the streamlined process for approving SB 9 applications. The City will also create and post step-by-step, user friendly instructions for processing SB 9 units and lot splits in Gilroy.</u> <u>The Planning Department will hold informational meetings with the building division and engineering/land development division to review the streamlined process to ensure the City complies with state law.</u> <u>Quantified Objective: Process ten (10) SB 9 applications in the 6th Cycle planning period.</u>	<u>CDD</u>	<u>General Fund</u>	<u>Within one year of Housing Element adoptionBy end of Q4 2024.</u>

B. Removal of Government Constraints

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 1	Residential Development Ordinance (RDO) Removal	Repeal the RDO. The growth control measures of the City's RDO have been made null and void by SB 330 (2019). The RDO will be repealed as a part of the City's comprehensive zoning update. Portions of the policy related to affordability requirements may be used as a benchmark for the City's proposed Inclusionary Policy.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, <u>end of Q4 2023</u> .
B - 2	Zoning and General Plan Densities	Amend the Zoning Ordinance to ensure that the Gilroy 2040 General Plan maximum densities are achievable in the implementing zones (Housing Accountability Act/AB 3194). Changes include: - Increasing the maximum density in the R3 (medium density) zone from 16 to 20 dwelling units per acre; - Removing the maximum density in the R4 (high density) zone; - Creating a zoning district for the mixed-use First Street corridor with a density range of 20–30 dwelling units per net acre; and - Creating Neighborhood District High and Neighborhood District Low zoning designations with density allowances that are consistent with the 2040 General Plan.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, <u>end of Q4 2023</u> .
B - 3	Senate Bill (SB) 35 Permit Processing <u>and SB 330 Compliance</u>	Establish and implement expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330. <u>Create checklists and instructions for reviewing and approving SB 35 and SB330 projects.</u> Add information regarding the expedited permit process on the City's website.	CDD	General Fund	Within two years of Housing Element adoption <u>By end of Q4 2024.</u>

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 4	Public Fees, Standards, and Plans Online	Pursuant to Assembly Bill (AB) 1483, the City will compile all development standards, plans, fees, and nexus studies in an easily accessible online location (also see Program B-8). The City will continue to provide a high-quality, parcel-specific zoning map and General Plan map online.	CDD	General Fund	Within one year of Housing Element adoption By end of Q4 2023 .
B - 5	Permit Streamlining	As a part of the 2023 comprehensive Zoning Ordinance update, the City is pursuing changes to streamline the permitting process, including but not limited to: • Creating a ministerial use permit process; and • Creating a more transparent and streamlined process for reviewing and approving applications involving a historic resource (e.g., residential addition). • Streamlining the Planned Development approval process, so that projects that do not require a zoning amendment or General Plan amendment can be approved by the Planning Commission rather than requiring review and approval by both the Planning Commission and City Council. Additionally, the City will ensure it adheres to newly passed legislation surrounding permit streamlining, such as AB 2234. Quantified Objective: Decreased permit processing time.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, end of Q4 2023 .

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 6	Objective Standards	Review and revise development standards, design guidelines, and findings to ensure they are objective and facilitate development of properties at their maximum densities.	CDD	General Fund	Within three years of Housing Element adoption By end of Q4 2026.
B - 7	Zoning Ordinance Update	<u>As a part of the 2023 comprehensive Zoning Ordinance update to ensure compliance with the 2040 General Plan and streamline various application processes (Program B – 5), the City will evaluate development standards for all zones including the Downtown Specific Plan zones, for potential governmental constraints.</u> The City will <u>also</u> revise the definition of “townhouse” to be consistent with state law. <u>The City will also amend the Zoning Ordinance to require that any demolished residential units on the Sites Inventory be replaced pursuant to Government Code Section 65583.2(g).</u>	CDD	General Fund	Within one year of Housing Element adoption By end of Q4 2023.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 8	Entitlement Roadmap Webpage	To provide clear and simple information about the City's permitting process, the City will create an Entitlement Roadmap webpage that clearly spells out the City's permitting process for residential development. Specifically, the webpage will include application forms, a flow chart outlining the development process, FAQs, and live links to other necessary pages and resources. The webpage will advertise the City's ministerial process for most single-family homes and administrative approval process for many other types of residential development that meet objective development standards. <u>Also see Program B-4.</u>	CDD	General Fund	By <u>end of Q4 2024.</u>
B - 9	<u>Building Department Webpage</u>	<u>To reduce applicant time and cost and increase certainty, the City will update the Building Department webpage to include information required pursuant to AB 2234, including but not limited to specific information required for an application to be considered complete; example of a complete, approved application; and example of a complete set of post-entitlement phase permits for accessory dwelling units, duplexes, multifamily projects, mixed-use projects, and townhomes.</u> <u>Quantified Objective: Updated website by end of Q4 2023.</u>	<u>CDD</u>	<u>General Fund</u>	<u>By end of Q4, 2023.</u>

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
B - 10	<u>Zoning Code Annual Updates</u>	<u>California's legislature continues to pass new laws each year to encourage housing production and address the state's severe housing shortage. Under this program, the Community Development Department will establish a process to update City policies, codes and ordinances to comply with new State laws affecting housing and land use.</u> <u>Quantified Objective: Following passage of new state legislation, Community Development Department staff will develop a list of laws that require updates to the City's policies, codes and ordinances.</u>	<u>CDD</u>	<u>General Fund</u>	<u>The City will update City policies, codes and ordinances annually, or as needed to comply with new state laws.</u>
B - 11	<u>General Plan Consistency</u>	<u>For the City's General Plan to serve its purpose effectively, it must be reviewed, maintained, modified as necessary, and implemented in a systematic and consistent manner. Gilroy implements the General Plan through the City's ordinances and regulations, policy decisions, and actions and is responsible for tracking, reporting and evaluating its progress in implementing the General Plan.</u> <u>General Plan consistency will be reviewed as part of the Annual Progress Report, pursuant to Government Code Section 65400. As amendments are made to the General Plan, the City will also review the Housing Element for ongoing consistency.</u>	<u>CDD</u>	<u>General Fund</u>	<u>Consistency between the General Plan and Housing Element will be reviewed as part of the annual progress report prior to April 1st of each year.</u>

C. Housing Preservation and Rehabilitation

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 1	Monitoring of Units At Risk of Converting to Market Rate	Continue to provide regular monitoring of deed-restricted units that have the potential of converting to market rate. The City currently contracts with HouseKeys to serve as the Below Market Rate (BMR) Program Administrator of the City's below market-rate homeownership and rental property program. The BMR Program Administrator will continue to monitor and evaluate the City's current multi-family affordable housing stock to determine if any developments are at risk of conversion. Together with the BMR Program Administrator, the City will implement strategies to preserve projects identified as being at risk of converting to market-rate housing. Strategies include: • Monitoring affordable housing term expiration status annually. • Notifying property owners annually about compliance with the extended noticing requirement (three year, one-year, and six-month Notice of Intent) under state law. • Including preservation as an eligible use in Notices of Funding Availability. • If below market-rate units appear to be at risk of conversion, work with qualified operators, the California Department of Housing and Community Development (HCD), and the property owners to preserve the housing for lower-income households. • Biennial contact with property owners of affordable units.	CDD and Program Administrator (e.g., HouseKeys)	General Fund	Annually review affordable housing term expirations. Noticing as needed with expiration of covenants.

Number	Title	Action	Responsible Party	Funding Source	Timeline
		• Identification of funding opportunities to purchase and preserve affordable units. • Noticing of tenants and technical assistance with applications for funds. <i>Quantified Objective:</i> Preservation of below market-rate units.			
C - 2	Housing Rehabilitation	To enhance the quality of existing neighborhoods, the City shall continue to utilize Community Development Block Grant (CDBG) funds, as available, to assist in the improvement of substandard housing. For example, the City has provided CDBG grants to the Rebuilding Together Silicon Valley Home Repair, Rehabilitation and Accessibility Modification program, which provides a wide range of home repair, accessibility, mobility and limited rehabilitation improvements for low-income homeowners in Gilroy. The City will facilitate Tax Equity and Fiscal Responsibility Act (TEFRA) hearings throughout the planning period to allow for the development and rehabilitation of affordable housing units throughout the City. <i>Quantified Objective:</i> Provide assistance to 100 households. Target 25% in the Racially and Ethnically Concentrated Area of Poverty (R/ECAP) and DTSP area.	CDD	General Fund	Annually evaluate progress and review contract. <u>Following each contract renewal, hold informational meetings to alert the community about the availability of programs such as Rebuilding Together rehabilitation loans.</u>

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 3	Code Enforcement Program	Within current staffing limits <u>and AFFH standards</u>, the City shall contact owners of units identified as substandard, offering inspection services and providing information on the Rebuilding Together Program (or similar) and landlord/tenant information and mediation services. Quantified Objective: Provide information regarding the Rebuilding Together (or similar) and landlord/tenant information and mediation services to 240 households.	CDD	General Fund	Ongoing throughout the planning period.
C - 4	Resale Control on Owner-Occupied Below Market-Rate Units	The BMR Program Administrator shall continue to implement resale controls on owner-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained per the terms specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock. Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.
C - 5	Resale Control on Rental Below Market-Rate Units	The BMR Program Administrator shall continue to implement resale controls on renter-occupied BMR units to ensure that affordable units provided through public assistance or public action are retained per the terms specified in the affordable housing agreement (e.g., 30 years) as affordable housing stock. Quantified Objective: Maintain all affordable units throughout the planning period or as specified in the affordable housing agreement.	CDD and BMR Program Administrator (e.g., HouseKeys)	General Fund	Annual assessment of units at risk of conversion.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
C - 6	Identification and Preservation of At-Risk Units	The City will complete its ongoing effort to create an inventory of BMR units. In the event that the City identifies units with restrictive covenants that expire during the 6th Cycle, the City will ensure that owners of the properties are contacted, encouraged to extend or renew the rent or sales price restrictions. The City will also ensure appropriate advanced notice of conversion to tenants is provided.	CDD	General Fund	Within one year of Housing Element adoption <u>By end of Q4 2024.</u>

D. Housing Assistance

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 1	Permanent Local Housing Allocation Fund	The City shall continue to utilize the Permanent Local Housing Allocation (PLHA) Fund for all eligible activities, including new construction, acquisition, rehabilitation, home buyer assistance, homeless assistance, public services related to housing, and preservation of affordable housing. The City contracts with Santa Clara County Office of Supportive Housing to administer the PLHA Fund, which provided \$237,000 in funding each year during the FY 22-23 and FY 23-24 funding periods for homelessness prevention services, fair housing, and basic needs (e.g., meals on wheels). The City shall continue to inform nonprofit organizations of funding availability through the City's website and informational packets at City Hall. Quantified Objectives: Through various eligible funding programs, assist 80 households annually.	CDD	Permanent Local Housing Allocation Fund	The PLHA funds span a 5-year basis. Conduct outreach and allocate funding every two years.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 2	Funding Sources to Assist Homeownership	The City shall pursue potential sources of additional funding for homeownership assistance and <u>inform the public of existing resources</u>, including the availability of State HCD, CalHFA funds, HOME, Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG), and Santa Clara County funds. The City shall improve public outreach activities through <u>conducting workshops and outreach events and</u> the compilation of resources for down payment assistance and other means of acquiring a home. Quantified Objectives: The City will <u>conduct public outreach to inform the community of existing resources, assistance programs, and funding opportunities, and</u> annually pursue funding for down payment assistance and increase awareness as new funding is available.	CDD	General Fund	<u>Conduct public outreach on existing housing resources and</u> pursue funding and conduct research annually.
D - 3	Housing Choice Voucher Referrals	The City shall provide information to City residents on the Santa Clara County Housing Authority Housing Choice Voucher (HCV) program. This information shall also be available on the City website.- The City shall notify interested residents and provide technical assistance to residents who need help applying to the Housing Choice Voucher program. The City shall refer residents that experience discrimination based on source of income (including vouchers) to Project Sentinel. Quantified Objective: Assist or refer 40 individuals annually.	CDD	General Fund	Immediately upon opening of HCV waitlist. Technical assistance to residents as needed. Annual education and outreach to landlords.

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 4	Pursue Funding for Affordable Housing	The City shall pursue funding from state, federal, and regional sources and support applications for funding to help increase the supply of affordable housing. Funding programs may include but are not limited to: • One Bay Area Grants awarded by ABAG; • HCD Local Housing Trust Fund Program; • US Department of Housing and Urban Development (HUD) Section 811 funding for supportive housing for extremely low-income residents; • The state Infill Infrastructure Grant program, sponsored by HCD; and • The State Multifamily Housing Program, sponsored by HCD. <u>Additionally, the City will consider the use of PLHA funds for eligible activities, including the predevelopment, development, acquisition, rehabilitation, and preservation of affordable housing.</u> <u>The City will meet with affordable housing developers to identify development opportunities, provide support for funding applications, consider incentives and concessions beyond SDBL, and provide priority processing.</u>	CDD	General Fund	Pursue funding sources annually.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
D - 5	Community Development Block Grant Program	The City shall continue to utilize the CDBG Program for all eligible activities, including acquisition, rehabilitation, home buyer assistance, economic development, homelessness assistance, public services, and public improvements. The City shall continue to inform nonprofit organizations of funding availability through the City's website and email distribution lists. The City will advertise funded programs that provide public assistance on its website and through informational brochures at City Hall. The City expects to receive an estimated \$400,000 in CDBG funds from HUD each year. The primary objectives of the CDBG Program include activities that benefit low-income households, aid in the prevention of slums or blight, or meet an urgent community need.	CDD	General Fund	Administer funds annually.

E. Special Housing Needs

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 1	Priority Water and Sewer Service for Affordable Housing Developments	Pursuant to Government Code 65589.7, <u>the City will review and update, as necessary, the Water and Sewer Service Priority Policy, and</u> work with public service providers to ensure prioritization of services to housing developments serving lower-income households. <u>This policy is currently in place.</u> <u>The Housing Element will be provided to water and sewer service providers upon adoption.</u>	CDD	General Fund	Within one year of Housing Element adoption <u>By end of Q4 2026.</u>
E - 2	Zoning to Encourage and Facilitate Single-Room Occupancy Units	As a part of the comprehensive Zoning Ordinance update, the City shall revise the Zoning Ordinance to establish explicit definitions for and regulatory standards addressing single-room occupancy units.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, <u>end of Q4 2023.</u>
E - 3	Emergency Shelter Standards	Amend the Zoning Ordinance to modify the requirements for emergency shelters in compliance with <u>Assembly Bill (AB) 2339, AB 139, and</u> Government Code <u>Section 65583(a)(4).</u> The City will modify its Zoning Ordinance to ensure that emergency shelters are allowed by right in the City's <u>R4 zone and First Street mixed-use corridor.</u> <u>Pursuant to AB 2339, emergency shelters and other interim interventions, including but not limited to a navigation center, bridge housing, and respite or recuperative care, will not require a conditional use permit or any other discretionary permit in zones designated for emergency shelters. The Zoning Ordinance will be revised to set parking requirements based on staff levels only and remove subjective development and operational standards.</u>	CDD	General Fund	<u>At the time of Housing Element adoption.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 4	Low Barrier Navigation Centers	Pursuant to Senate Bill (SB) 48 <u>and AB 2339</u> , amend the Zoning Ordinance to allow low-barrier navigation centers, meeting specific objective requirements, by-right in areas zoned for nonresidential uses, including mixed-use zones and multi-family zones.	CDD	General Fund	Within one year of Housing Element adoption <u>By end of Q4 2023.</u>
E - 5	Incentivize Micro-Units	Ensure that provisions for efficiency units are consistent with AB 352 (2017), <u>concurrent with the comprehensive Zoning Ordinance update by the end of Q4 2023.</u> Revise the Zoning Ordinance to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-unit development, <u>by the end of 2025.</u>	CDD	General Fund	Within one year of Housing Element adoption <u>By end of Q4 2023 and 2025.</u>
E - 6	Reduced Parking Requirements for Senior Housing	The City shall conduct a study to determine if reduced parking standards for senior housing are appropriate in Gilroy. Based on the findings of the study, the City may revise the Zoning Ordinance, as necessary, to reduce parking standards for senior housing. The passing of AB 2097 will reduce constraints to senior housing development as it prohibits any minimum parking requirement on any residential, commercial, or other development project located within 0.5 miles of public transit.	CDD	General Fund	Within 3 years of Housing Element adoption <u>By end of Q4 2026.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 7	Development and Conservation of Housing for Farmworkers	<u>In 2022, the City partnered with the Santa Clara County Office of Supportive Housing, to facilitate lower-income housing on a County owned property by waiving development impact fees for the project.</u> The City shall continue to partner with the Santa Clara County Office of Supportive Housing and various nonprofit organizations to explore and implement ways of providing affordable farmworker housing, including identification of state and federal funding opportunities. <u>At least once a year, the City will forward information about surplus City-owned land and other development opportunities to the Santa Clara County Office of Supportive Housing, affordable housing developers, and service providers who may be interested in developing more farmworker housing in Gilroy. The City will also provide this information at the annual developer roundtable and to individuals on the housing developer list, created through Program G - 1.</u> Quantified Objective: Preserve and maintain the <u>3</u> farmworker housing developments (<u>56</u> units) located in Gilroy.	CDD	General Fund	Ongoing throughout the planning period.
E - 8	Consistency with the Employee Housing Act	As a part of the 2023 comprehensive Zoning Ordinance update, the City shall update the Zoning Ordinance to be consistent with the Employee Housing Act (Health and Safety Code Section 17021). This act generally requires by-right approval of employee housing for agricultural employees (i.e., farmworker housing) as follows: Less than six persons, by-right in all zones allowing single-family residential uses; No more than 12 units or 36 beds, by-right in all zones allowing agricultural uses.	CDD	General Fund	Concurrent with the comprehensive Zoning Ordinance update, <u>end of Q4 2023</u> .

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 9	Priority for Gilroy	The City will develop a system to prioritize occupancy of affordable for-sale and for-rent units in Gilroy for income-eligible Gilroy residents and/or individuals working in the City of Gilroy, who originate in the City of Gilroy. The City will determine how to weigh specific factors and develop a process for priority tenure, while affirmatively furthering fair housing.	CDD	General Fund	Within two years of Housing Element adoption By end of Q4 2024.
E - 10	<u>Development and Rehabilitation of Housing for Persons with Disabilities</u>	<u>As part of the 2023 comprehensive Zoning Code update, the City will evaluate reasonable accommodation standards and procedures and the permit requirements for residential care homes (i.e., group homes) in medium- and higher-density residential zones. The City will revise, as necessary, regulations that act as potential constraints to accommodating persons with disabilities.</u>	<u>CDD</u>	<u>General Fund</u>	Within one year of Housing Element adoption By end of Q4 2023.

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 11	<u>Housing for Extremely Low Income and Special Needs Households</u>	<u>The City will facilitate and support affordable housing by meeting with potential affordable housing developers and homeless service providers to identify development opportunities, provide site information, assist in the entitlement processes, and consider on a case-by-case basis other incentives, including but not limited to fee deferrals and modification of standards.</u> <u>As included in Program G - 1, the City will conduct proactive outreach to specifically include developers of housing for special needs and low-income households in the annual developer roundtable.</u> <u>Additionally, the City will pursue funding sources, such as use of PLHA funds, to assist special needs households, such as extremely low-income households, farmworkers, large families, seniors, and persons with disabilities, including developmental disabilities. The City will consider using PLHA funding for eligible activities, including the predevelopment, development, acquisition, rehabilitation and preservation of affordable housing.</u> <u>Quantified Objective:</u> <u>Outreach to affordable housing developers at least bi-annually (4 times over the planning period) when PLHA funds become available.</u>	<u>CDD</u>	<u>General Fund, PLHA funding</u>	<u>As applications are received. Annual developer roundtable. Pursue funding sources as they are made available.</u>

Number	Title	Action	Responsible Party	Funding Source	Timeline
E - 12	<u>Downtown Expansion District and First Street Mixed-Use Corridor Flexibility</u>	<u>The City will develop a process to allow 100% residential projects in the Downtown Expansion District. The City will also create a process that allows flexibility in the type of non-residential uses allowed in the new First Street Mixed-Use Corridor such as supporting amenities, facilities or services, subject to certain criteria. In exchange for this flexibility, the City may require that a certain percentage of units are dedicated to extremely low-income households, farmworkers, persons with disabilities, or other identified groups. The intent of this program is to facilitate and encourage housing for extremely low income and special needs households.</u> <u>Quantified Objective:</u> <u>Adopted zoning amendments. Facilitation of 100 units using the adopted process in the planning period.</u>	<u>CDD</u>	<u>General Fund</u>	<u>Amendments by end of Q4 2025</u>
E - 13	<u>Permanent Supportive Housing</u>	<u>As part of the 2023 Comprehensive Zoning Code update, the City will amend the code to allow supportive housing uses by-right in zones where multi-family and mixed-uses are permitted, consistent with Government Code Section 65651.</u>	<u>CDD</u>	<u>General Fund</u>	<u>By end of Q4 2023.</u>

F. Affirmatively Furthering Fair Housing

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 1	Source of Income Protection	Coordinate with Project Sentinel to conduct a meeting/workshop to inform residents of sources of income protection and state rent control laws such as AB 1482. Continue to coordinate outreach efforts to inform landlords and tenants of recent changes to state law that prevent source of income discrimination, including allowance of housing choice vouchers (HCVs) to establish a renter's financial eligibility. Quantified Objective: Outreach to 50 landlords or tenants annually.	CDD	General Fund	Informational outreach within one year of Housing Element adoption <u>by end of Q4 2024</u>. Annual education and outreach to landlords and tenants.
F - 2	Fair Housing Counseling	The City shall continue to provide funds to and contract with a non-profit agency to provide fair housing assistance including landlord/tenant counseling. The City shall disseminate information about fair housing assistance through pamphlets in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. Quantified Objective: Work with Fair Housing Provider to track number of households assisted in Gilroy annually. Provide information to 30 households annually.	CDD	General Fund	Annual or biennial award of funds. Provision of pamphlets within one year of Housing Element adoption <u>by end of Q4 2024</u>.

Goals, Policies, and Programs

F - 3	Place-Based Improvements <u>in Downtown Gilroy</u>	Develop programs and strategies to create place-based improvements through investments in the public right of way. Specific actions include: - As part of the \$3.9 million Clean California Grant, the City will renovate and beautify a portion of Gourmet Alley and Railroad Street within the downtown area with: pedestrian and bicycle-friendly markings along each block; improvements to the stormwater drainage system; additional landscaping and lighting; new benches; cleanup days for the alleys; and an anti-littering campaign. - As a part of downtown revitalization, the City will construct a new downtown parking lot that will also serve as a community resource for a Farmers Market and community events in the downtown. - As a part of the CIP, to support economic development in the downtown, complete Automall Parkway Pavement Rehabilitation including reconstruction of 20 curb ramps, addition of Class II bike lanes, and repair and replacement of deteriorated curb and gutter (estimated \$2.4 million) <u>As a part of the CIP, to support pedestrian infrastructure in the DTSP area, install and upgrade ADA curb ramps in Downtown Gilroy. <u>In March 2023 the City Council awarded a contract to conduct ADA curb ramp improvements at nine locations in and around Downtown Gilroy.</u></u>	CDD, Public Works	General Fund	Streetscape and infrastructure improvements will be completed pursuant to the City's CIP schedule. The Clean California Grant project must be completed by June 30, 2024. Construction of the parking lot with community event space will be complete by the end of May 2023.
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Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
		• <u>The Downtown Façade Improvement and Blight Removal Program, which includes providing a 50%/50% matching grant of up to \$5,000 to property owners and tenants within a portion of Downtown to assist with exterior improvements to the façade, or face, of the building. These improvements may include new paint, building surface treatment, awnings, windows, doors, and other improvements that can help improve the exterior of a building. The maximum grant award amount may be increased to \$10,000 if the project includes blight removal activities, approved by the City.</u> • <u>The Downtown Building and Planning Permit Fee Reduction Policy. This includes a 50% rebate of up to \$5,000 for all City-related building and planning fees. This is available to any downtown business or property owner that pulls a permit for buildings along Monterey Road between First and Tenth Streets</u>			

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
F - 4	Housing Mobility and Choice in Higher Opportunity Areas	Improve housing mobility and choice, especially in higher opportunity areas of the City through the follow actions: • Allow triplexes and quadplexes that meet objective design standards to be approved ministerially <u>on corner lots in the R1 and R2 zones</u> (Program A-10). • Adopt an inclusionary housing policy (Program A-11) • Adopt a incentives beyond density bonus state law policy to include incentives for special needs households (Program A-12)	CDD	General Fund	Within 3 years of Housing Element adoption <u>By end of Q4 2025.</u>
F - 5	Displacement Prevention Policy	Adopt a displacement prevention policy. Organize a focus group of organizations with experience in displacement prevention policies (e.g., SV@Home) and complete an analysis of best practices in jurisdictions that are similar to Gilroy. Measures that are being considered for inclusion in the policy are “tenant option to purchase agreements” for redevelopment projects meeting specified thresholds, a just cause eviction ordinance, and relocation agreements. <u>Through Program B-7, the City will amend the Zoning Ordinance to require that any demolished residential units on the Sites Inventory be replaced pursuant to Government Code Section 65583.2(g).</u>	CDD	General Fund	Hold focus group and complete analysis within two years of Housing Element adoption <u>by end of Q4 2025.</u> Adopt policy <u>by end of Q4 2026.</u>

G. Education and Outreach

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 1	Collaboration with Development Community	The City shall continue to cultivate <u>new and existing</u> relationships, <u>throughout the planning period</u>, with for-profit and non-profit development companies working in the area of affordable housing, facilitating collaborative approaches to affordable housing development. <u>Invite affordable housing developers and developers of housing for special needs households to the annual developer roundtable meeting.</u> <u>The City will create a list of housing developers, including developers of affordable and special needs housing. The list will be used for the annual developer roundtable (or equivalent), and to advertise development opportunities, funding opportunities, and other educational and engagement efforts in the City.</u> Quantified Objective: Host an annual developer roundtable <u>(or equivalent)</u> meeting. <u>Participation of at least four developers of affordable and special needs housing in the annual meeting.</u>	CDD	General Fund	Annual developer roundtable meeting. <u>Creation of developer interest list by end of Q4 2024.</u>

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 2	Community Outreach and Inclusion in the Decision Making Process	To implement Goal EJ 1 from the City's 2040 General Plan Environmental Justice Element, the City will encourage involvement of all Gilroy neighborhoods in the public decision-making process through the use of various methods of delivery, such as print media, mailers, web-based information, accessible meetings, <u>pop-up events</u>, and other methods that consider economic and cultural considerations unique to the City of Gilroy. Provide all pamphlets and communications in English and Spanish <i>Geographic Targeting:</i> R/ECAP and Downtown Specific Plan area	CDD	General Fund	Ongoing throughout General Plan implementation.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 3	ADU Education	Develop and implement a comprehensive marketing program to advertise the benefits of ADUs and the process for constructing ADUs. The City will provide educational pamphlets on the City website and at City Hall with detailed information on the ADU process as well as basic responsibilities and legal requirements of being a landlord. The pamphlets will be provided in both English and Spanish. The City will consolidate its two ADU webpages into a single page that has all relevant information for ADUs. The City will focus outreach and education in the higher opportunity areas of the City to expand housing mobility and choice. Upon biennial review of geographic ADU distribution, the City will review and adjust promotion and outreach strategies to ensure ADUs are being marketed in high resource areas that are seeing less ADU construction. Quantified Objective: Increase the number of new ADUs permitted in the City from an average of approximately 17.5 (2018-2021) to an average of approximately 25.	CDD	General Plan	Develop marketing plan within one year of Housing Element adoption <u>by end of Q2 2024</u>; implement marketing program within two years of Housing Element adoption <u>by end of Q4 2025</u>. Biennial review of ADU geographic distribution. ADU webpage consolidation by the end of <u>Q4 2024</u>.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 4	Increased Outreach in Downtown Areas	To implement Policies EJ 1.3 and EJ 1.5 from the City's 2040 General Plan Environmental Justice Element, the City will consult with local community leaders in the Downtown Specific Plan Area to ensure community priorities are being addressed. The City will consider the viewpoints and concerns of all neighborhoods within Gilroy when drafting the High Speed Rail Station Area Plan and when updating the Downtown Specific Plan. Geographic Target: R/ECAP and Downtown Specific Plan area	CDD	General Fund	Upon receiving funding and availability of adequate staffing resources to complete these area plans.

Goals, Policies, and Programs

G - 5	Housing Outreach and Information	The City shall provide information about housing assistance, fair housing, housing resources, and housing programs through a wide variety of outreach methods such as: • <u>Conducting workshops and webinars by partnering with community-based organizations to inform residents of housing resources, assistance programs, and funding opportunities, on a monthly basis on average.</u> • Disseminating information about fair housing in City-owned buildings and other public locations (e.g., City Hall, Library, post office, other community facilities) and by posting information on the City website. Pamphlets will be made available in English and Spanish. • Advertising housing assistance information on the City website, through the compilation of resources for rental assistance, down payment assistance, and other means of retaining existing housing or acquiring a new home. • <u>Coordinating with the City's Fair Housing Service Provider to provide resources and information at a housing resources event in the DTSP area.</u> Geographic Targeting: Annual housing event in the DTSP area. Quantified Objective: Provision of housing resources and information through at least three different mediums. All information made available in English and Spanish. Annual housing event in the DTSP. Outreach with 150 households annually.	CDD	General Fund	Update the City website with housing information as new resources become available. Annual housing event in the DTSP area. <u>Conduct community outreach workshops on housing resources on a monthly basis on average.</u>
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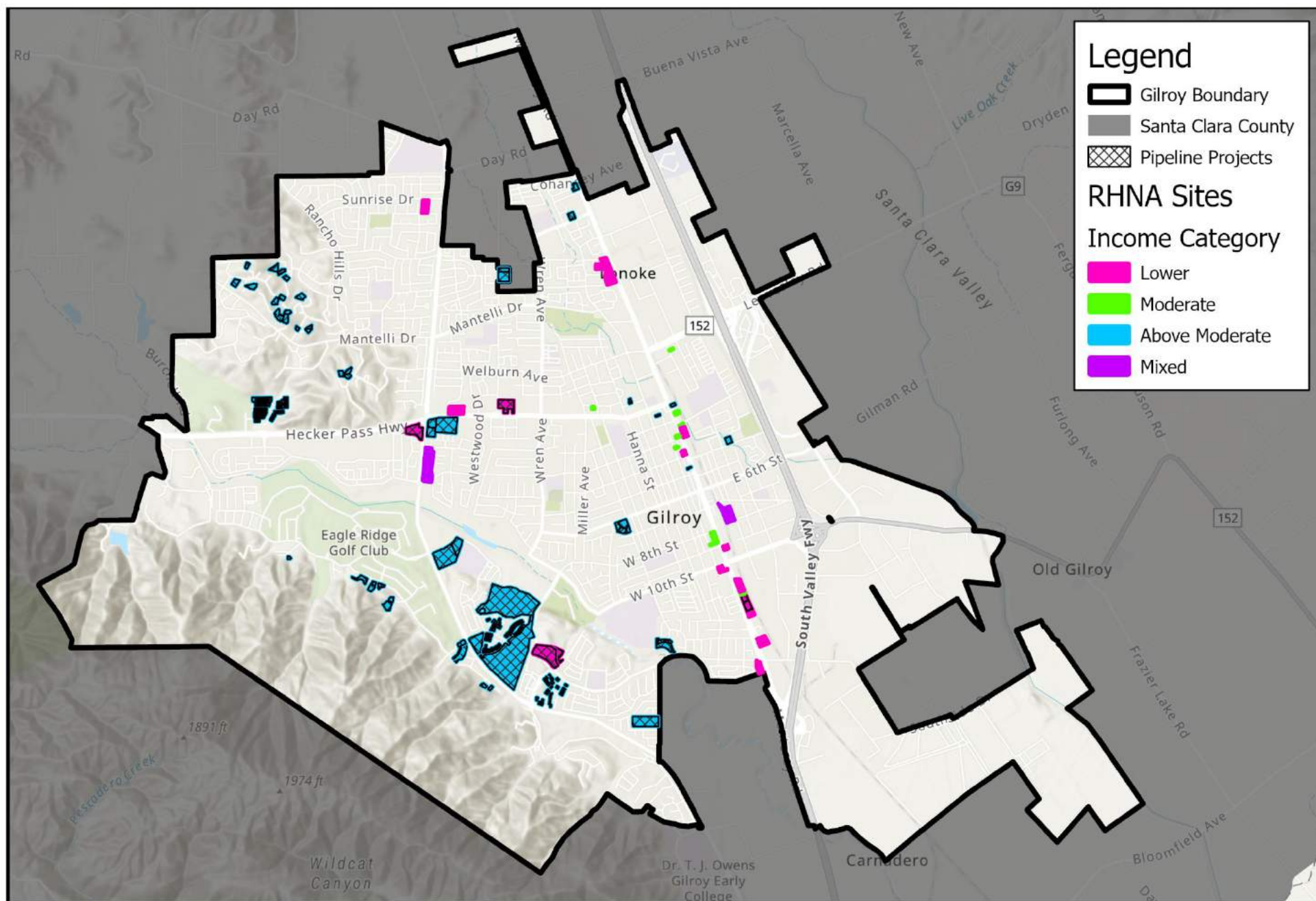
Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 6	Unhoused Population Education and Outreach	The City will develop a program to educate the public on the unhoused population and homelessness as well as advertise resources that available for the unhoused population. Specifically, the program will include: • Creation of a dedicated webpage with information on <u>unhoused resources and efforts</u>. • Development of printed collateral for distribution at City Hall and by code enforcement officers in the field. • Gathering information on resources that exist in the City and County for the unhoused population and promote the information at City Hall and on the City's website. This information will also be provided through the various outreach methods in Program G - 5. • <u>Revamping</u> the unhoused service providers <u>network</u> which consists of monthly meetings with <u>direct unhoused</u> service providers in the City. <u>The network serves to increase collaboration and partnership among service providers and the City, to connect the unhoused with services.</u> The <u>monthly meetings</u> serve to coordinate with service providers regarding the needs of the unhoused community, inform and coordinate with events, and collaborate on outreach efforts. Quantified Objective: Minimum of 3 medium of outreach. Scheduled service provider meetings throughout the planning period.	CDD	General Fund	18–24 months after Housing Element adoption <u>By end of Q4 2025</u> ; monthly (or as scheduled) meetings of the unhoused service providers network.

Goals, Policies, and Programs

Number	Title	Action	Responsible Party	Funding Source	Timeline
G - 7	Bilingual Engagement	Given the City's large Hispanic population, the City will increase Spanish language engagement within city services and through translation of outreach materials and interpretation of housing opportunities. Translation of outreach materials is included in both programs G - 3 and G - 5. In August 2022 the City expanded its collective bargaining bilingual pay system to increase the number of bilingual staff available to assist the Spanish-speaking community. The City will advertise its collective bargaining unit bilingual pay benefits to attract new staff that can converse with the City's Spanish speaking population.	CDD	General Fund	Immediately upon adoption of the Housing Element.
G - 8	<u>Help Center Webpage</u>	<u>In partnership with local nonprofit organizations, the City will develop a Housing Help Center webpage to provide a centralized resource for tenants and landlords to receive information on local laws, assistance to apply for rent relief, and legal aid. This webpage will consolidate existing information on the City's website with additional information provided by local service providers to best serve the needs of the Gilroy community.</u> <u>Quantified Objective: The City will advertise the Housing Help Center to at least 100 residents each year through the City's community outreach efforts.</u>	<u>CDD</u>	<u>General Fund</u>	<u>By end of Q4 2024</u>

APPENDIX A: SITES INVENTORY MAP



APPENDIX B: SITES INVENTORY LIST

Table 90: Opportunity Sites

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 20 050	880 Sunrise Dr	95020	1.98	PF	Low Density	15	0	21	0	0	0	21	74 Pub,Buildings,Public	Yes	Yes	No	No	Opportunity Site
790 14 025	8955 Monterey Rd	95020	2.05	R4	High Density	30	0	49	0	0	0	49	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 14 075	8915 Monterey Rd	95020	0.74	R4	High Density	30	0	18	0	0	0	18	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 14 091	8985 Monterey Rd	95020	0.80	R4	High Density	30	0	19	0	0	0	19	62 Ins,Childcare,Preschl,Adult Daycare	Yes	No	Yes	Yes	Opportunity Site
790 15 036	8877 Monterey Rd	95020	1.21	R4	General Services Commercial	30	0	29	0	0	0	29	69 Vacant,Urban	Yes	No	Yes	Yes	Opportunity Site
790 15 041	8897 Monterey Rd	95020	0.95	R4	General Services Commercial	30	0	23	0	0	0	23	58 Com,Retail Not In Shopping Center	Yes	No	Yes	Yes	Opportunity Site
790 32 052	620 Broadway	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 053	622 Broadway	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 054	626 Broadway St	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 32 055	624 Broadway St	95020	0.06	R3	Medium Density	20	0	0	0	1	0	1	69 Vacant,Urban	Yes	No	No	No	Opportunity Site
790 39 019	1375 First St	95020	0.97	C3	Mixed Use Corridor High	30	0	20	0	0	0	20	69 Vacant,Urban	Yes	No	Yes	No	Opportunity Site
790 39 020	1395 First Street	95020	0.97	C3	Mixed Use Corridor High	30	0	20	0	0	0	20	59 Pro,Offices,Banks And Clinics	Yes	No	No	No	Opportunity Site
790 39 029	1335 First St	95020	0.55	C3	Mixed Use Corridor High	30	0	12	0	0	0	12	59 Pro,Offices,Banks And Clinics	Yes	No	No	No	Opportunity Site
790 39 030	1355 First St	95020	0.49	C3	Mixed Use Corridor High	30	0	10	0	0	0	10	69 Vacant,Urban	Yes	No	No	No	Opportunity Site

⁴³ The APN is the most accurate representation of the location of these sites. Addresses are the addresses connected to each APN from the Assessor's portal.

⁴⁴ The sites inventory does not include sites for the Above Moderate income category as the RHNA has already been exceeded by pending projects.

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
799 03 054	7733 Monterey Rd	95020	0.10	DED	Downtown Specific Plan Area	30	0	0	0	3	0	3	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 03 055	7711 Monterey Rd	95020	0.20	DED	Downtown Specific Plan Area	30	0	0	0	6	0	6	04 Res, 5 Or More Family Units	Yes	No	No	No	Opportunity Site
799 04 008	7601 Monterey Rd	95020	0.51	DHD	Downtown Specific Plan Area	30	0	15	0	0	0	15	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 04 016	7660 Egleberry St	95020	0.18	DED	Downtown Specific Plan Area	30	0	0	0	5	0	5	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 10 033	7191 Monterey St	95020	0.34	DED	Downtown Specific Plan Area	30	0	0	0	10	0	10	58 Com, Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 10 034	7161 Monterey St	95020	0.32	DED	Downtown Specific Plan Area	30	0	0	0	10	0	10	58 Com, Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 10 042	Egleberry Street (east side), north of W Ninth St	95020	0.16	TD	Downtown Specific Plan Area	20	0	0	0	2	0	2	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 10 048	Monterey St. (west side), north of W Ninth St	95020	0.30	DED	Downtown Specific Plan Area	30	0	0	0	9	0	9	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
799 10 049	7121 Monterey St	95020	0.36	DED	Downtown Specific Plan Area	30	0	0	0	11	0	11	58 Com, Retail Not In Shopping Center	Yes	No	No	No	Opportunity Site
799 34 036	80 W Tenth St	95020	0.89	DED	Downtown Specific Plan Area	30	0	27	0	0	0	27	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
808 01 024	Located at intersection of Santa Teresa Blvd and Third St	95020	7.22	R4	High Density	30	0	142	0	31	0	173	69 Vacant, Urban	Yes	No	No	Yes	Opportunity Site
808 21 009	10 W Luchessa Ave	95020	0.57	ND	Neighborhood District	30	0	12	0	0	0	12	69 Vacant, Urban	Yes	No	No	No	Opportunity Site
808 49 078	Monterey Rd (west side), south	95020c	0.92	ND	Neighborhood District	30	0	19	0	0	0	19	91 Agr, Orchard	Yes	No	No	No	Opportunity Site

APN	Address ⁴³	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity ⁴⁴	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
	<u>of Luchessa Ave.</u>																	
<u>841 01 064</u>	<u>Swanston Lane (east side), south of Leavesley Rd</u>	<u>95020</u>	<u>0.17</u>	<u>R3</u>	<u>Medium Density</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>69 Vacant,Urban</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 02 058</u>	<u>7840 Monterey Rd</u>	<u>95020</u>	<u>0.43</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>13</u>	<u>69 Vacant,Urban</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 04 018</u>	<u>7700 Monterey Rd</u>	<u>95020</u>	<u>0.61</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>58 Com.Retail Not In Shopping Center</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 04 019</u>	<u>7760 Monterey Rd</u>	<u>95020</u>	<u>0.70</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>21</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21</u>	<u>58 Com.Retail Not In Shopping Center</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 04 020</u>	<u>7780 Monterey Rd</u>	<u>95020</u>	<u>0.44</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>13</u>	<u>86 Vacant,Public Uses</u>	<u>Yes</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 13 022</u>	<u>Alexander St (west side), south of Old Gilroy</u>	<u>95020</u>	<u>3.62</u>	<u>CD</u>	<u>Downtown Specific Plan Area</u>	<u>40</u>	<u>0</u>	<u>50</u>	<u>0</u>	<u>50</u>	<u>0</u>	<u>100</u>	<u>43 Tra,Transportation,Railroad</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 001</u>	<u>Monterey St., south of Ninth St</u>	<u>95020</u>	<u>0.55</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>	<u>69 Vacant,Urban</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 006</u>	<u>6790 Monterey Rd</u>	<u>95020</u>	<u>0.39</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>0</u>	<u>9</u>	<u>58 Com.Retail Not In Shopping Center</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 015</u>	<u>6320 Monterey Rd</u>	<u>95020</u>	<u>0.55</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>1</u>	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>	<u>01 Res.Single Family Residence</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 036</u>	<u>6470 Monterey Rd</u>	<u>95020</u>	<u>0.74</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>29 Mfg,Petroleum Products</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 037</u>	<u>6380 Monterey Rd</u>	<u>95020</u>	<u>0.77</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>10 Ind,Lumber & Other Bldg Materials</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 081</u>	<u>6620 Monterey Rd</u>	<u>95020</u>	<u>0.53</u>	<u>GD</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>16 Ind,Non-Mfg,Combo Mfg & Non-Mfg</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>
<u>841 14 083</u>	<u>6920 Monterey Rd</u>	<u>95020</u>	<u>1.69</u>	<u>DED</u>	<u>Downtown Specific Plan Area</u>	<u>30</u>	<u>0</u>	<u>51</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51</u>	<u>11 Ind,Warehousing,Public</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>Opportunity Site</u>

Table 91: Pipeline Project Sites

APN	Address	Zip Code	Size (Acres)	Existing Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ⁴⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
783 03 073	8340 Wintergreen Court	95020	0.56	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 03 074	8350 Winter Green Court	95020	0.63	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 03 081	8341 Winter Green Court	95020	0.61	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 04 023	Hecker Pass And Autumn Way	95020	22.4	Hecker Pass Special District	Hecker Pass Special District	-	---		:	:	:	72	72	:	Yes	No	No	No	Pipeline Project
783 52 032	8745 Wild Iris Drive	95020	0.29	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 52 050	1975 Saffron Court	95020	0.91	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 64 022	2331 Hova Lane	95020	0.41	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 65 022	2354 Banyan Ct	95020	0.90	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 72 012	1870 Carob Court	95020	0.91	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 72 017	1820 Carob Court	95020	0.64	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 72 020	9145 Tea Tree Wy	95020	0.51	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 72 033	8971 Tea Tree Way	95020	0.57	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 72 036	8955 Mimosa Ct.	95020	1.39	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 72 055	2282 Gunnera Ct	95020	0.82	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 72 027	9025 Mimosa Court	95020	0.54	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 72 038	9005 Mimosa Court	95020	0.72	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
783 72 035	8950 Mimosa Court	95020	1.11	RH	Hillside Residential	0.5	---		:	:	:	1	1	:	Yes	No	No	No	Pipeline Project

⁴⁵ Projects consisting of multiple Consolidated parcels are noted here, with all parcels from the same project being listed with the same corresponding letter. The total units assigned to these consolidated projects are only listed in the first APN for that project.

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
783 52 032	8745 Wild Iris Drive	95020	0.29	RH	Hillside Residential	0.5	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
790 07 007	95 Farrell Avenue	95020	0.90	C1	Low Density Residential	-	---		-	-	-	4	4	-	Yes	No	No	No	Pipeline Project
790 17 002	9130 Kern Avenue	95020	2.54	R3	Neighborhood District	20	---	C	-	-	-	29	29	-	Yes	No	No	No	Pipeline Project
790 17 003	9160 Kern Avenue	95020	1.00	R3	Neighborhood District	20	---	C	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
790 21 041	975 First Street	95020	3.82	C3	High Density Residential	-	-		36	89	1	-	120	-	Yes	No	Yes	Yes	Pipeline Project
790 35 053	307 Gurries Drive	95020	0.23	R3	Medium Density Residential	20	-	D	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
790 35 054	308 Gurries Drive	95020	0.04	R3	Medium Density Residential	20	-	D	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
790 66 057	108 Chickadee Lane	95020	0.84	C1	Neighborhood District	-	-		-	-	-	12	12	-	Yes	No	No	No	Pipeline Project
799 01 058	7851 Egleberry Street	95020	0.18	R2	Downtown Specific Plan Area	10	1		-	-	-	-	-	-	Yes	No	No	No	Pipeline Project
799 06 049	7533 Monterey Road	95020	0.12	HD	Downtown Specific Plan Area	-	-		-	-	-	3	3	-	Yes	No	No	No	Pipeline Project
799 26 033	700 W 6th Street	95020	1.51	PO	Low Density Residential	-	-	A	-	-	-	19	19	-	Yes	No	No	No	Pipeline Project
799 26 037	701 W 6th Street	95020	0.67	R1	Low Density Residential	1	---	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 26 049	702 W 6th Street	95020	0.74	R1	Low Density Residential	1	---	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 26 050	703 W 6th Street	95020	0.10	R1	Low Density Residential	1	---	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 26 051	704 W 6th Street	95020	0.58	R1	Low Density Residential	1	---	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 26 052	705 W 6th Street	95020	0.08	R1	Low Density Residential	1	---	A	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 35 053	305 Gurries	95020	2.28	R-3	Medium Density Residential	-	---		-	-	-	2	2	-	Yes	No	No	No	Pipeline Project
799 44 093	Intersection of Filbro Dr and Roval Way, adjacent to 6695 Filbro Dr	95020	0.23	R3	Medium Density Residential	20	---	B	-	-	-	45	45	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
799 44 094	Intersection of Filbro Dr and Royal Way	95020	0.28	R3	Medium Density Residential	20	---	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 095	Royal Way, South of 6690 Filbro Dr	95020	0.19	R3	Medium Density Residential	20	---	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 096	Royal Way, South of 6685 Filbro Dr	95020	0.18	R3	Medium Density Residential	20	---	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 097	Intersection of Royal Way and Imperial Dr	95020	0.19	R3	Medium Density Residential	20	---	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 098	Intersection of Royal Way and Imperial Dr, adjacent to 6670 Imperial Dr	95020	0.21	R3	Medium Density Residential	20	---	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 101	Royal Way, West of 711 Antonio Ct	95020	0.00	R3	Low Density Residential	20	---	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 109	Royal Way, West of 711 Antonio Ct	95020	1.92	R3	Medium Density Residential	20	---	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
799 44 110	321 W Luchessa Ave	95020	0.24	R3	Low Density Residential	20	---	B	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 01 021	1410 First St	95020	7.60	R3	High Density Residential	20	---	G	-	-	-	202	202	-	Yes	No	No	No	Pipeline Project
808 01 022	7890 Santa Teresa Blvd	95020	1.67	R3	High Density Residential	20	---	G	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 01 023	1490 First St	95020	1.57	R4	High Density Residential	30	---	G	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 19 023	NW of the intersection of Miller Ave and W. Luchessa Ave	95020	7.60	OS	Glen Loma Ranch	-	---		-	152	-	-	152	-	Yes	No	No	No	Pipeline Project
808 57 007	1265 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 008	1255 Hernandez Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 021	1290 Hernandez Wy	95020	0.07	Glen Loma	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existing Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existing Use	Infrastructure	Publicly Owned	4th Cycle	5th Cycle	Type
				Ranch Special District															
808 57 022	1300 Hernandez Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
808 57 025	1285 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
808 57 026	1275 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
808 57 030	1235 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
808 57 031	1225 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
808 57 039	1270 Qualteri Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
808 57 040	1290 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
808 57 041	1300 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	:	:	:	1	1	:	Yes	No	No	No	Pipeline Project
808 57 042	1310 Qualteri Wy	95020	0.07	Glen Loma Ranch	Glen Loma Ranch	-	---	1	:	:	:	1	1	:	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
				Special District															
808 57 043	1320 Qualteri Wy	95020	0.08	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	81	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 044	1330 Qualteri Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 045	1340 Qualteri Wy	95020	0.09	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 046	6435 Juristac Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 049	6465 Juristac Wy	95020	0.07	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 050	6480 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 053	6450 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 054	6440 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	1	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 055	6430 Godani St	95020	0.10	Glen Loma Ranch	Glen Loma Ranch	-	---	1	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
				Special District															
808 57 056	6420 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 057	6410 Godani St	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 070	1305 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 072	1285 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 078	1225 Michael Bo Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 084	1240 Mirassou Ln	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 089	1290 Mirassou Ln	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 093	1330 Mirassou Ln	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 098	6390 Carsey Wy	95020	0.10	Glen Loma Ranch	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
				Special District															
808 57 099	6380 Carsev Wy	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 100	6370 Carsev Wy	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 106	1235 Mirassou Ln	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 57 112	1240 Bouret Ct	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch	-	---	J	-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
808 18 031	North Of Santa Teresa, East Of Syrah Dr, And West Of Miller Ave.	95020	31.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	-	-	-	172	172	-	Yes	No	No	No	Pipeline Project
808 60 071	6811 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 072	6821 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 073	6831 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 074	6841 Vintner	95020	0.11	Glen Loma Ranch	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
				Special District															
808 60 075	6851 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 076	6861 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 077	6871 Vintner	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 078	6881 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 079	6891 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 080	6901 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 081	6911 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 001	7001 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 002	7011 Vintner	95020	0.11	Glen Loma Ranch	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
				Special District															
808 61 003	7021 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 004	7031 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 005	7041 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 006	7051 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 007	7061 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 008	7071 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 009	7081 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 010	7091 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 011	7101 Vintner	95020	0.13	Glen Loma Ranch	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
				Special District															
808 61 012	7111 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 013	7121 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 014	7131 Vintner	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 015	7141 Vintner	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 016	7100 Vintner	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 017	7090 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 018	7080 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 019	7070 Vintner	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 61 020	7060 Vintner	95020	0.15	Glen Loma Ranch	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
				Special District															
808 61 021	7050 Vintner	95020	0.17	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 022	7040 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 61 023	7030 Vintner	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 069	1470 Vinador Pl	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 037	1495 Winzer Pl	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 038	1485 Winzer Pl	95020	0.10	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 036	1505 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 039	1475 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 054	1450 Winzer Pl	95020	0.11	Glen Loma Ranch	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
				Special District															
808 60 055	1460 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 60 056	1470 Winzer Pl	95020	0.11	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 60 057	1480 Winzer Pl	95020	0.12	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 60 015	1575 Hurka Wy	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 60 003	1490 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 60 004	1500 Hurka Wy	95020	0.15	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 60 019	1535 Hurka Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 60 020	1525 Hurka Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project
808 60 021	1515 Hurka Wy	95020	0.13	Glen Loma Ranch	Glen Loma Ranch Special District	-	---	F	*	*	*	*	:	*	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
				Special District															
808 60 022	1505 Hurka Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 027	1540 Sawana Wy	95020	0.18	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 024	1510 Sawana Wy	95020	0.14	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 026	1530 Sawana Wy	95020	0.16	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 60 034	1525 Sawana Wy	95020	0.13	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---	F	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
808 58 005	GLR Specific Plan: Northeast Of Santa Teresa & West Of Miller	95020	36.92	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---		-	-	-	34	34	-	Yes	No	No	No	Pipeline Project
808 43 002	NE of Santa Teresa Blvd S of Club Dr	95020	8.83	Glen Loma Ranch Special District	Glen Loma Ranch Special District	-	---		-	-	-	59	59	-	Yes	No	No	No	Pipeline Project
808 39 066	6151 Thomas Road	95020	6.32	R1	Low Density Residential	1	---		-	-	-	14	14	-	Yes	No	No	Yes	Pipeline Project
808 43 003	Club Drive, North Of Santa Teresa Drive	95020	2.79	Glen Loma Ranch Special District	Glen Loma Ranch	-	---		-	-	-	4	4	-	Yes	No	No	No	Pipeline Project

APN	Address	Zip Code	Size (Acres)	Existin & Zone	Existing General Plan	Max. Density	Existin g Units	Consolidation ¹⁵	Very Low Income Capacity	Low Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Existin g Use	Infrastructure	Publicl y Owned	4th Cycle	5th Cycle	Type
783 52 019	8772 Foxglove Court	95020	0.40	RH	Hillside Residential	0.5	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
783 52 018	8762 Foxglove Court	95020	0.35	RH	Hillside Residential	0.5	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 55 008	7430 Sunningdale Way	95020	0.23	R1	Hillside Residential	1	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 56 012	7201 Eagle Ridge Drive	95020	0.57	RH	Hillside Residential	0.5	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 56 014	7221 Eagle Ridge Drive	95020	0.25	RH	Hillside Residential	0.5	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 56 015	7231 Eagle Ridge Dr	95020	0.92	RH	Hillside Residential	0.5	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 57 024	2031 Portmarnock Way	95020	1.34	RH	Hillside Residential	0.5	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 57 029	2030 Portmarnock Way	95020	0.43	RH	Hillside Residential	0.5	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 59 997	SW Of Santa Teresa, S Of Ballybunion/S.Teresa	95020	1.18	Hecker Pass Special District	Medium Density Residential	-	---		-	-	-	6	6	-	Yes	No	No	No	Pipeline Project
810 66 012	1520 Hecker Pass Highway	95020	3.81	RH	Hillside Residential	0.5	---		20	79	1	-	100	-	Yes	No	No	No	Pipeline Project
810 72 022	6545 Eagle Ridge	95020	0.29	RH	Hillside Residential	0.5	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
810 72 026	6585 Eagle Ridge Court	95020	0.44	PF	Downtown Specific Plan Area	1	---		-	-	-	1	1	-	Yes	No	No	No	Pipeline Project
841 02 009	7888 Monterey Road	95020	0.30	R3	Low Density Residential	20	---		-	-	-	12	12	-	Yes	No	No	No	Pipeline Project
841 03 062	395 Lewis Street	95020	0.92	R1	Low Density Residential	-	---		-	-	-	4	4	-	Yes	No	No	No	Pipeline Project
841 14 007	6730 Monterey Road	95020	1.01	GD	Downtown Specific Plan Area	-	---	K	20	73	1	-	94	-	Yes	No	No	No	Pipeline Project
841 14 008	6680 Monterey Road	95020	1.41	GD	Downtown Specific Plan Area	-	---	K	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project
841 14 009	6630 Monterey Road	95020	0.47	GD	Downtown Specific Plan Area	-	---	K	*	*	*	*	-	*	Yes	No	No	No	Pipeline Project

APPENDIX C: OUTREACH

September 8, 2022

Survey results for the City of Gilroy as of September 8, 2022

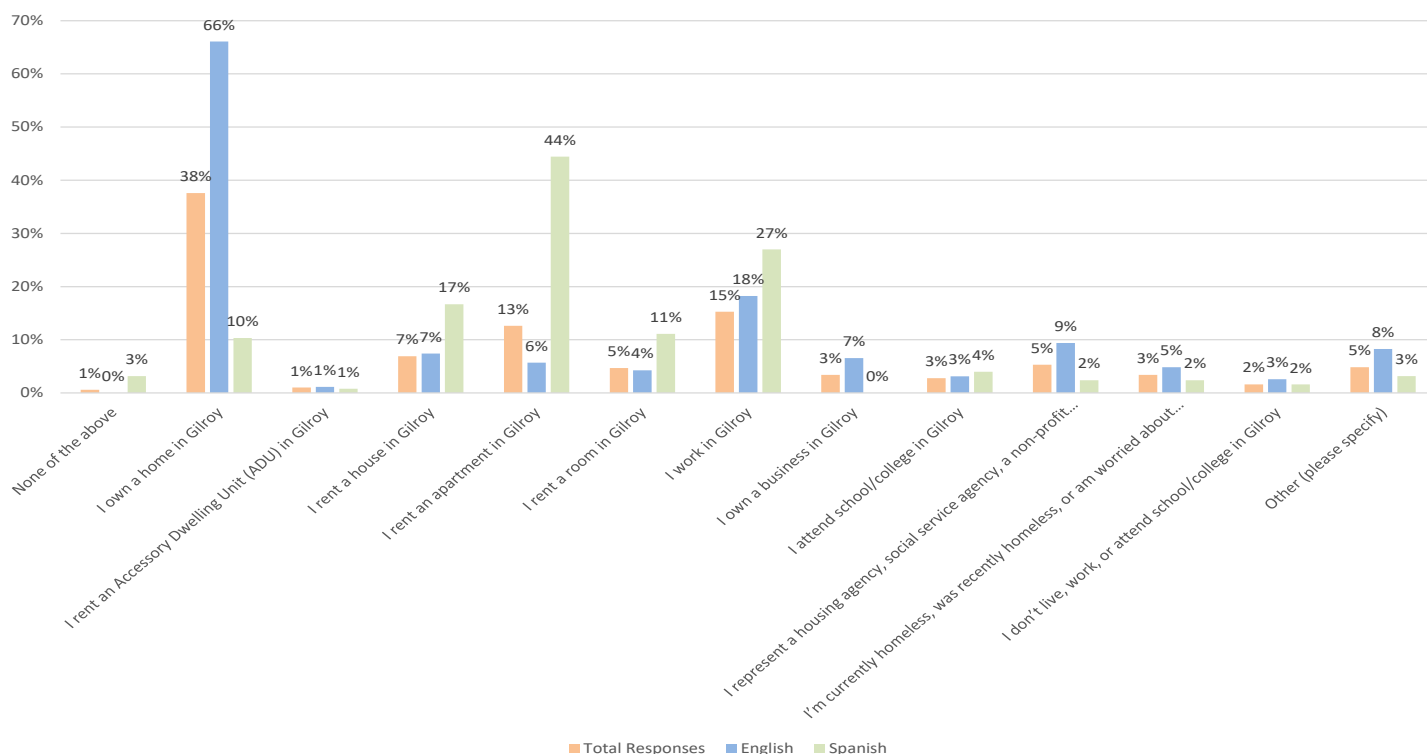
- English Responses: 367
- Spanish Responses: 143
- Total Responses: 510

Q1. Please identify your relationship with the City of Gilroy. (Choose all that may apply)

Total: Answers = 506; Skipped = 4

English: Answered = 366; Skipped = 1

Spanish: Answered = 140; Skipped = 3

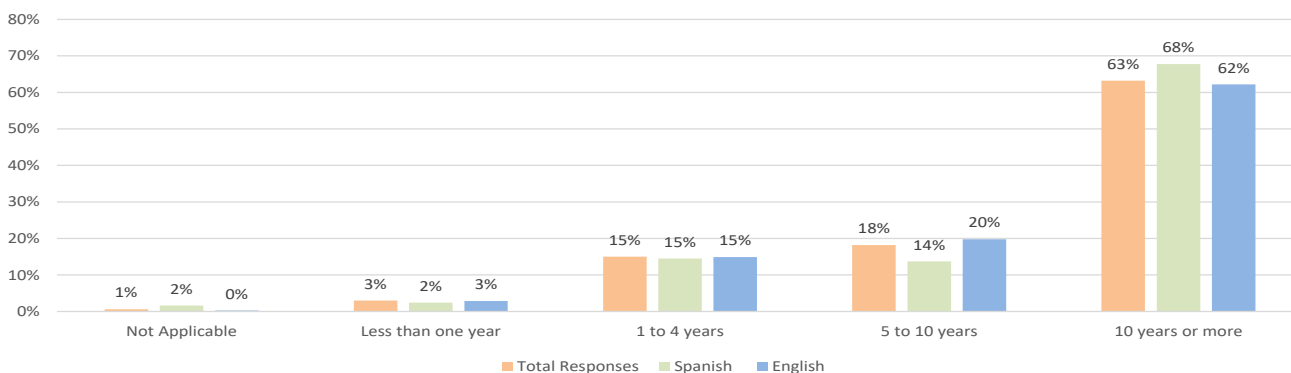


Q2. How long have you associated yourself with Gilroy?

Total: Answers = 500; Skipped = 10

English: Answered = 363; Skipped = 4

Spanish: Answered = 137; Skipped = 6

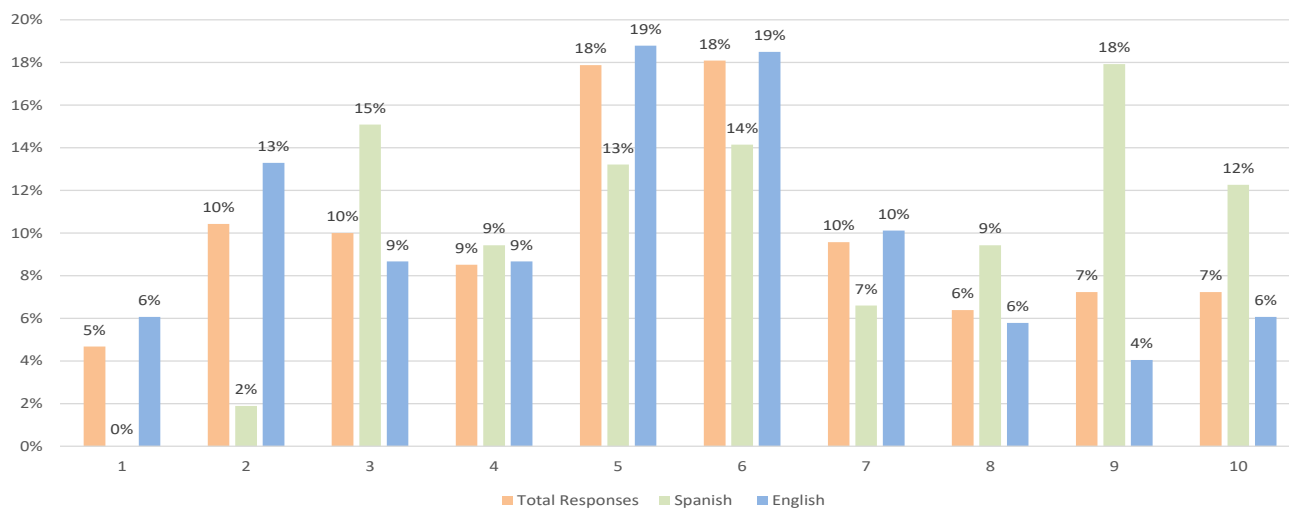
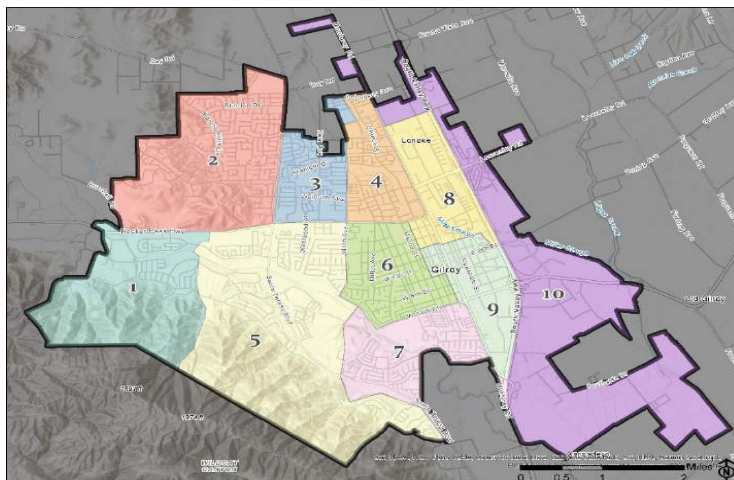


Q3. Based on the map above, please indicate in which part of Gilroy you live, work, or spend the most your time in. (Select one)

Total: Answers = 497; Skipped = 29

English: Answered = 360; Skipped = 7

Spanish: Answered = 120; Skipped = 23

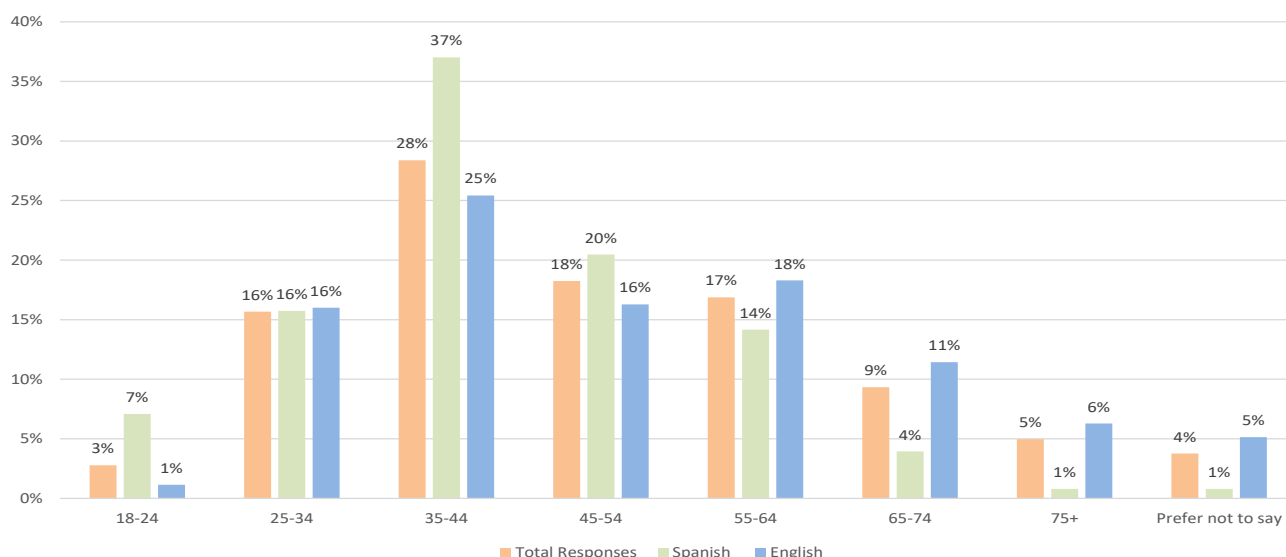


Q4. Please share your age.

Total: Answers = 504; Skipped = 6

English: Answered = 363; Skipped = 4

Spanish: Answered = 141; Skipped = 2

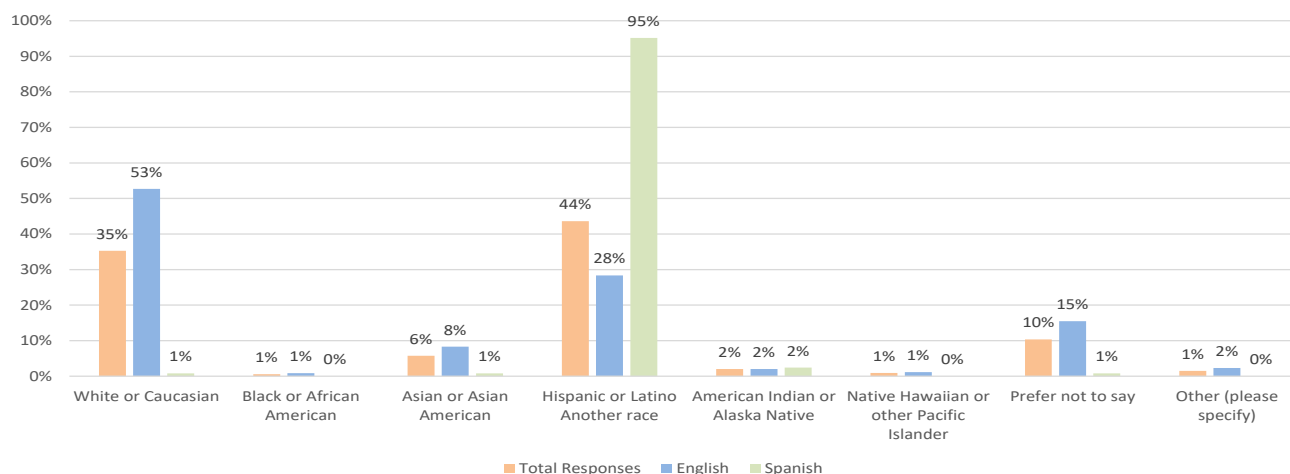


Q5. Please share your race/ethnicity. (Choose all that apply)

Total: Answers = 501; Skipped = 9

English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5



English Responses

- White/Mexican
- American
- Mexican/German
- Asian Indian
- White/Hispanic
- American
- Mixed
- Southeast Asian

Q6. Please specify the primary language and any other secondary languages spoken in your household:

Total: Answers = 491; Skipped = 19

English: Answered = 357; Skipped = 10

Primary Language: English 338, Spanish 17, Chinese 1, Thai 1

Secondary Language: Ahmaric 1, English 23, Filipino 1, French 2, Hindi 1, Italian 1, Kutchi 1, Portuguese 1, Punjabi 1, Spanish 72, Tagalog 1, Thai 1, Urdu 1, Vietnamese 1

Spanish: Answered = 134; Skipped = 9

Primary Language: English 13, Spanish 120, Amuzgo 1

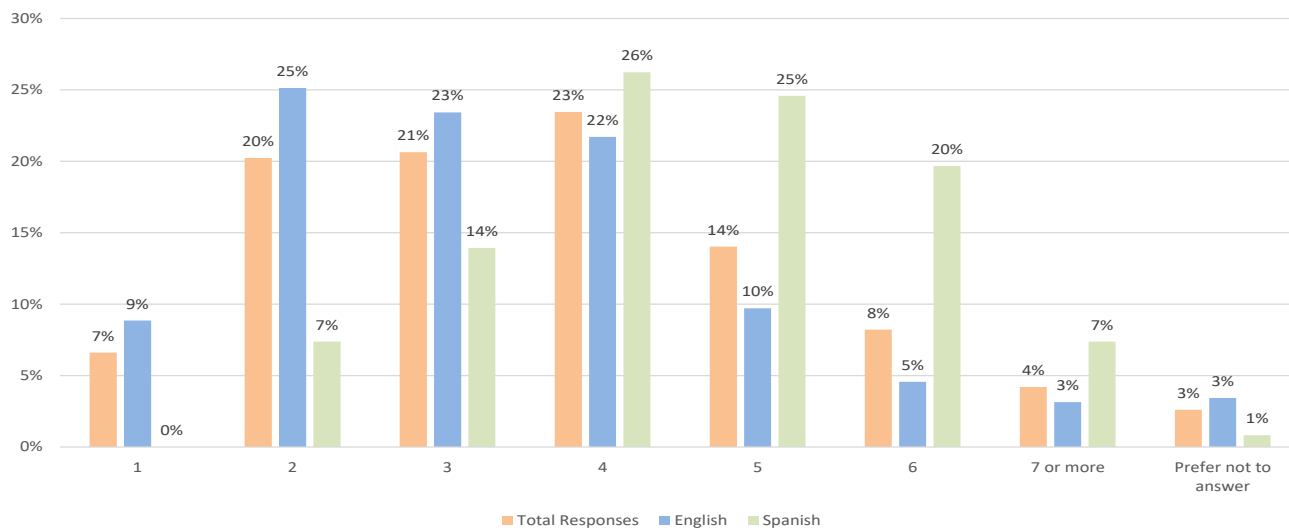
Secondary Language: English 54, Spanish 13

Q7. How many people including yourself live in your household?

Total: Answers = 499; Skipped = 11

English: Answered = 364; Skipped = 3

Spanish: Answered = 135; Skipped = 8

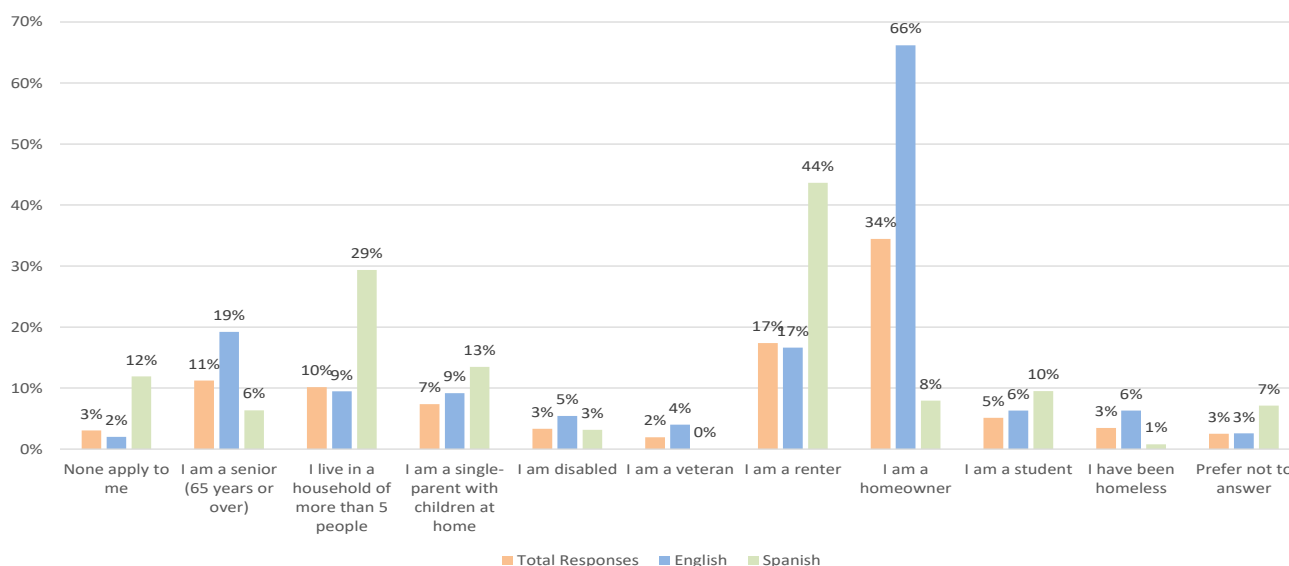


Q8. Please select all that apply to you:

Total: Answers = 498; Skipped = 7

English: Answered = 363; Skipped = 4

Spanish: Answered = 140; Skipped = 3



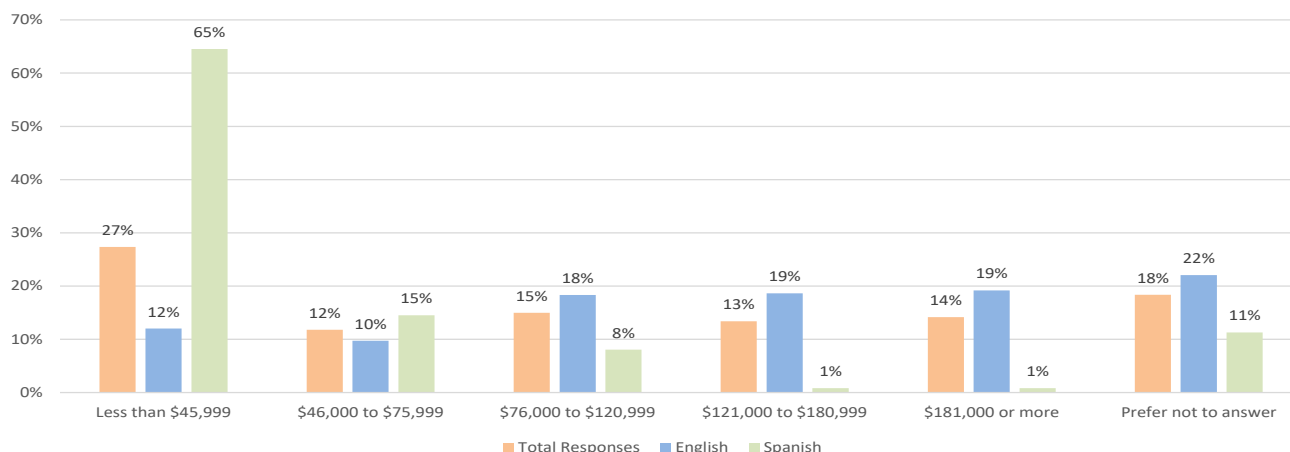
Q9. Please share the total annual household income for all adults in your household:

Total: Answers = 501; Skipped = 9

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English: Answered = 363; Skipped = 4

Spanish: Answered = 138; Skipped = 5

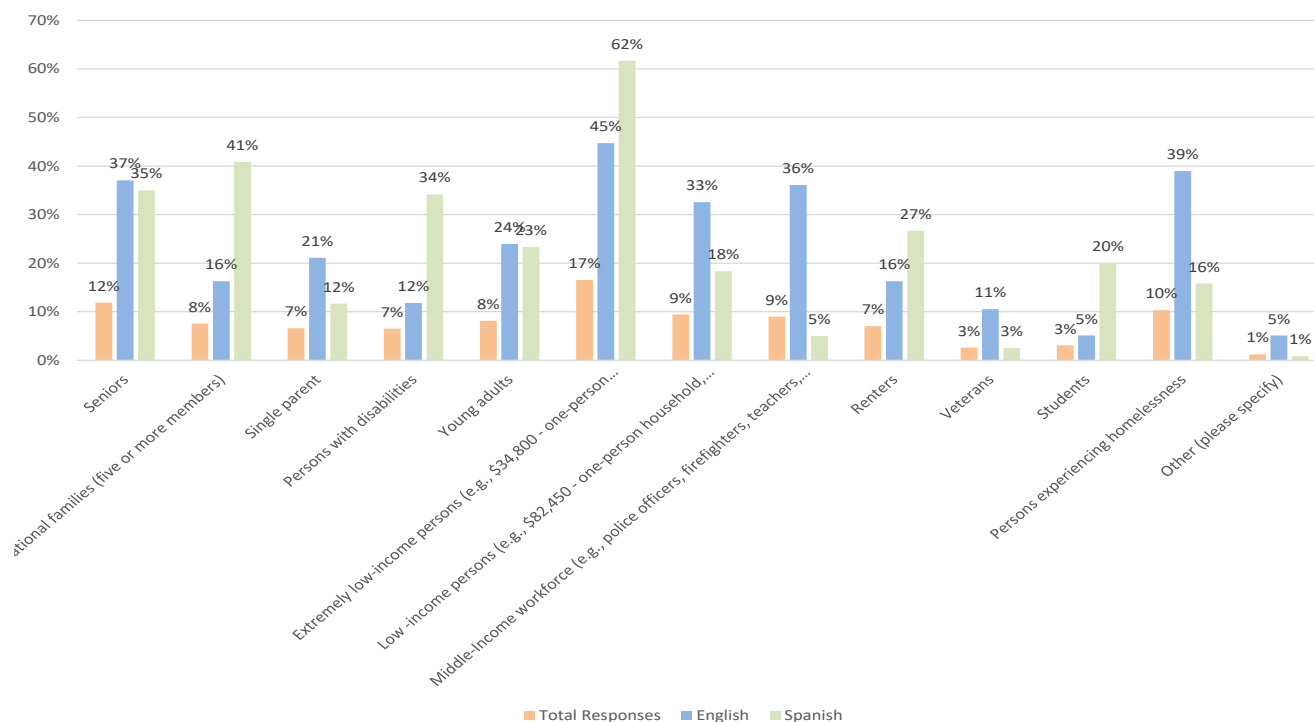


Q10. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 324; Skipped = 43

Spanish: Answered = 134; Skipped = 9



English Responses

- The rest of everyone on this list.....
- Three choices are not enough
- people who make too much for low income and not enough for regular housing market. (having to make 3x the rent in order to rent)
- People who already live in Gilroy
- People of all ages and income
- Those working at least part time, with good credit.
- Survivors of Gender Based Violence

- Persons with mental health disorders.
- High end housing
- We are overpopulated and not enough community infrastructure and commercial retail space is available. Should be spending money to fix the roads and cleanup the town. Make the city and downtown area more representable, modern and safe... rather than continuing to build home and low income housing. Gilroy needs to establish a worth and community value, not just cram everyone into the city and let it go downhill
- I am not qualified to accurately answer this question
- disabled mental health
- Homeless
- Homelessness doesn't discriminate. Homelessness occurs within every group.
- Middle income families
- People who already live here

Spanish Responses

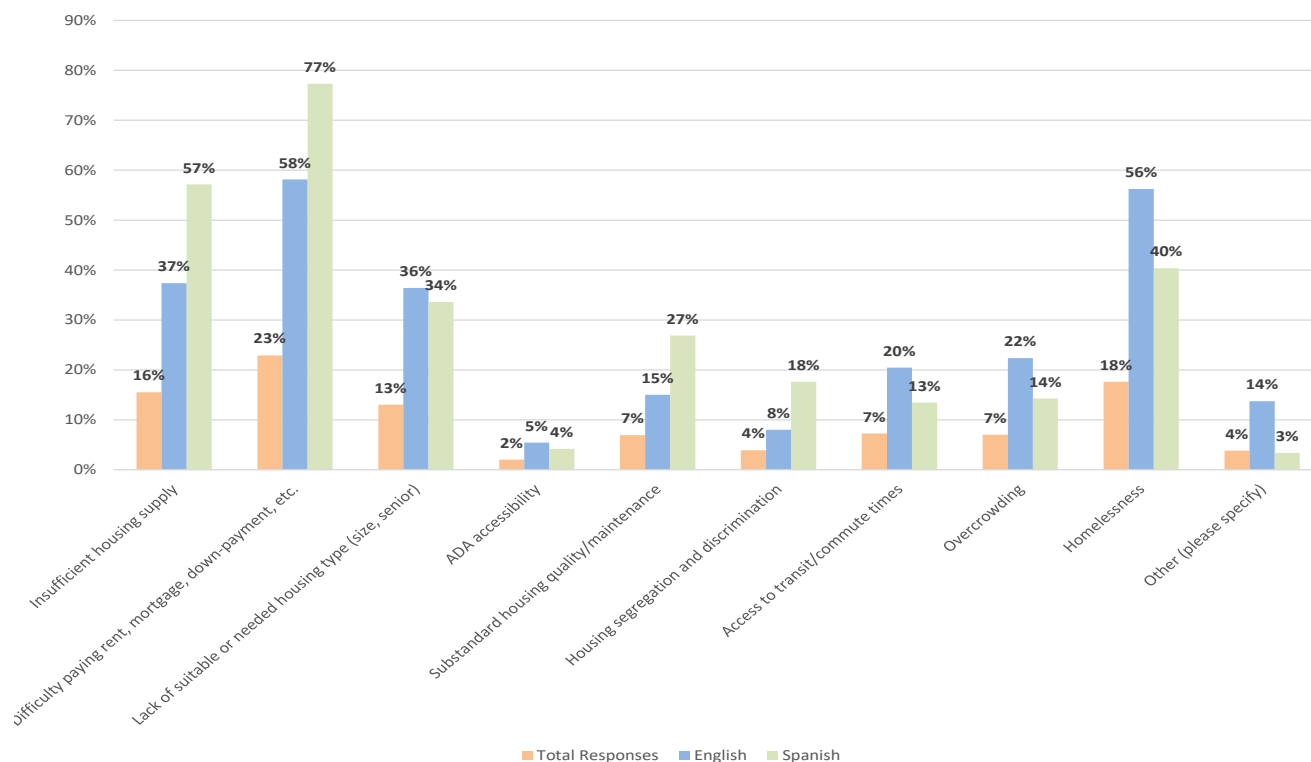
- Family making less than 80,000

Q11. Please select up to three (3) of the following groups who have the greatest need for housing and related services in the Gilroy.

Total: Answers = 458; Skipped = 52

English: Answered = 325; Skipped = 42

Spanish: Answered = 133; Skipped = 10



English Responses

- Builder / developer price gouging
- Lack of town center in GLR
- Affordable rent.
- No infrastructure to support
- Section 8
- Over developing in areas not intended. Housing causing traffic congestions
- Home prices
- Getting too crowded in Gilroy. Have enough housing. Not enough services and infrastructure to support current growth let alone future growth. Don't want to become another San Jose. Keep open spaces and rural community

- city services and infrastructure stretched with current housing being built
- parking
- Irresponsible development outpacing water and services budget supply
- substance abuse, mental health issues
- no opinion
- Unrealistic costs. Cost of housing compared to income.
- poorly planned neighborhoods
- Landlords that don't follow laws
- Single story
- Homeless encampments
- Lack of funding from the State for Section 8
- Dining/entertainment for residents
- Too many homes are being built in the city and we are getting overpopulated. But only is there too many homes being built causing overpopulation and causing major traffic, it enough retail and commercial areas/plazas and schools are being built to compensate for the increasing population. Too much new homes being built and too much low income housing being built. Too
- Literally all those plus more. I can be considered to "make enough" but that doesn't reflect the responsibilities or hardships we are all going thru and I've had to choose do I pay rent or pay my cell phone bill or put food on the table for my dying grandparents. rent prices are terrible and can be increased at anytime and if u fight about it u lose your home
- No help for domestic violence victims with kids
- Too many affordable housing units being built
- Renting with no dogs
- No enough infrastructure to support new and existing housing
- lack of creative solution
- Too many condos/apts/townhomes being built
- South Gilroy housing units explosive growth is straining the necessary retail support needs for grocery and pharmacy needs to support all the new market rate housing coming on line not to mention the infrastructure of roads, water, sewer and electrical grids. We continue to experience PG & E outages because of the service grid not keeping up with expansion
- Lack of affordable housing
- insufficient planning for current and future water scarcity
- Allowing housing with little or no open space. Inadequate roads/highway to support the number of cars already on the road.
- Lack of ELI affordable housing
- Infrastructure
- Education and resources.
- Shopping center / grocery stores
- Undocumented folks who can't get a job
- We need affordable housing - not selling the dream of homeownership. The developers are using loopholes to overabundance us with housing in categories well above the 2040 quotas by throwing in a few token BMR units so the development can't be denied. They should NOT be able to build in categories above quota when the other categories are under 100%.
- Inadequate water supply; Deficit growth with housing boom; Loss of open space and farm land
- Low income housing is abused by many people who abuse the system & have no intention in finding employment. Many of these same people bring crime into our neighborhoods and make it dangerous for everyone else living in the city. I think low income housing should be available to people who are carefully screened to verify they don't have a history of living in low income housing. They should only be allowed 6 months to 1 year and then be off the system. There are too many jobs available to be unemployed or underemployed. People who abuse the system take away from people who actually need the assistance and do not want to stay in assistance.
- Price
- Mentally Ill, drug addicted
- This is America. Capitalism works. Stop interfering.
- Permanently parked motor homes in side streets.
- Cost of housing

Spanish Responses

- I would like to see the city of Gilroy working more to fix the problem with the high cost of rent.

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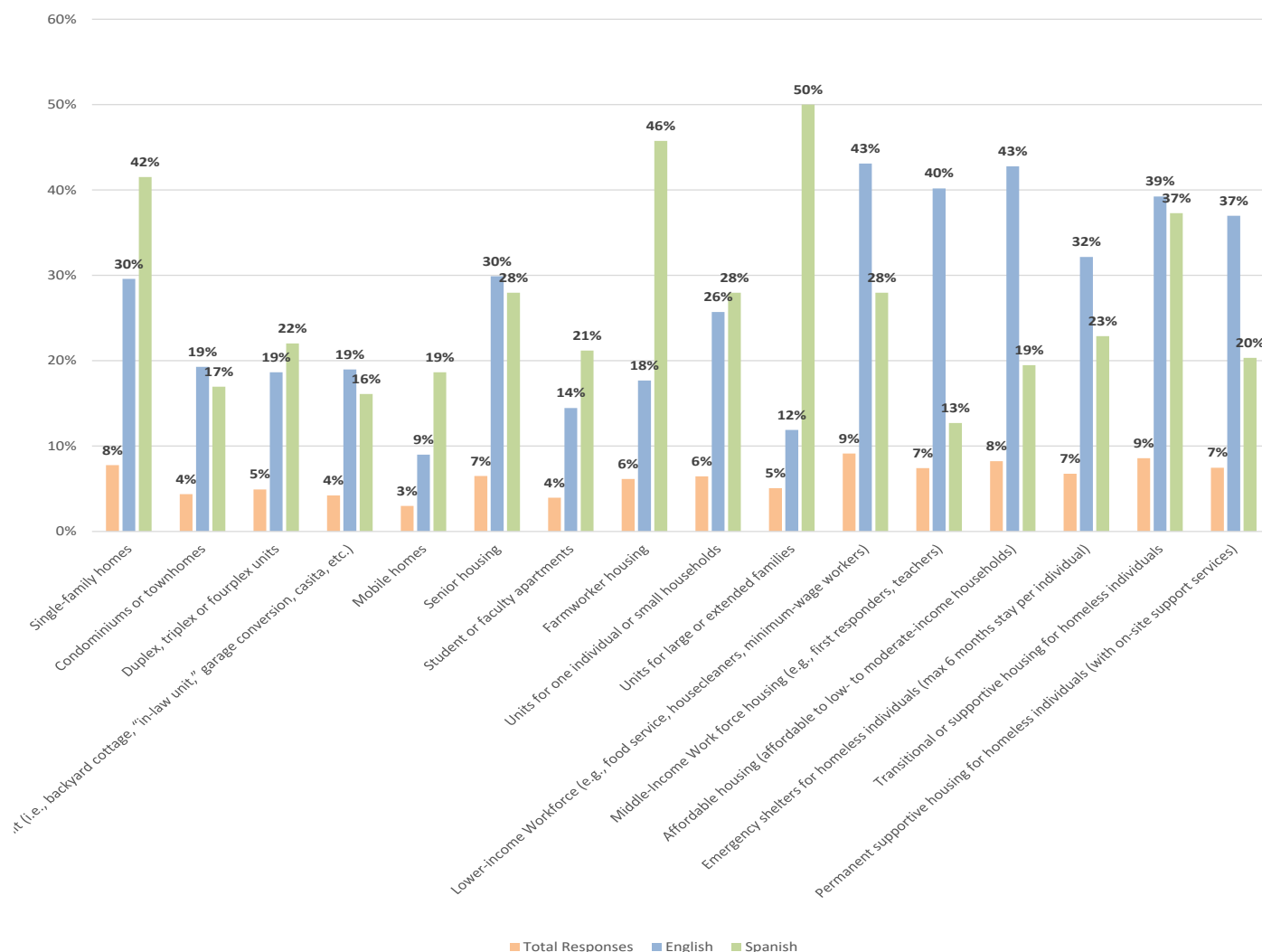
- very expensive rent
- Very demanding owner
- More accessible costs

Q12. In your opinion, please note which of the following housing types are missing or most needed in Gilroy. (Select all that apply)

Total: Answers = 454; Skipped = 56

English: Answered = 322; Skipped = 45

Spanish: Answered = 132; Skipped = 11

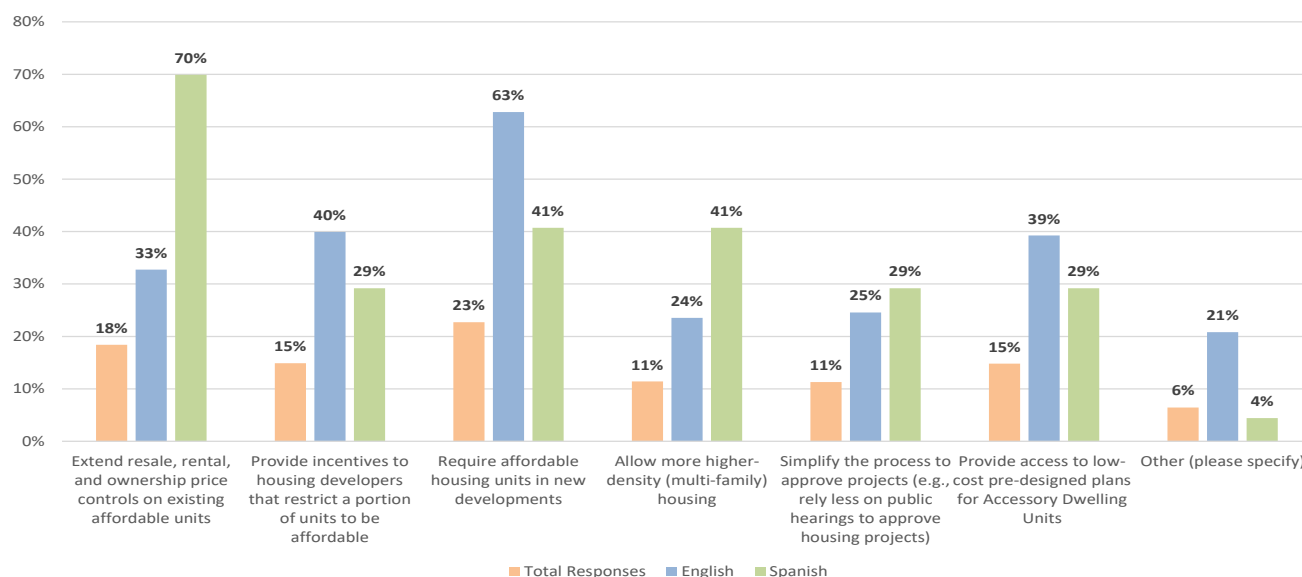


Q13. Select your top three (3) programs to improve housing access in Gilroy.

Total: Answers = 431; Skipped = 79

English: Answered = 304; Skipped = 63

Spanish: Answered = 127; Skipped = 16



English Responses

- Housing for extremely low salaries
- More Senior Housing and middle-income (not low-income) housing options
- replace single houses by townhouses or at least duplexes, need more green spaces around buildings for trees
- Rent control
- On city owned land install a "tiny" homes project.
- Less residents
- Convert large single family homes to group homes and halfway houses
- Section 8
- Over charging on rent. Should be based on gross income
- choices are too one-sided. what about current residents??
- Honestly housing numbers fine just need to lower prices and build more business for local jobs and fix downtown and add community center like MH to add revenue
- Don't need more housing unless to help young adults getting started.
- tiny house communities
- Workshops/incentives to add ADU
- We don't need to build more houses until we have water.
- Stop building! We have too much housing and not enough resources
- Standardize process approval for projects by setting community set standards that satisfy community needs
- Affordable opportunities should be made for those who work, but cannot afford because it is too expensive (costs, rates, etc.)
- Restrict high density housing and keep low income to a realistic need, not exceed
- Promote creation of well-paying jobs for existing residents
- Fix the existing roads, why was Santa Teresa not built out to its original design 4 lanes all the way
- Provide a safe parking facility
- Not to build low income units without adding amenities
- Use affordable housing in-lieu fees to offer down payment and mortgage rate assistance.
- Offer working middle class financial backing to be able to purchase homes
- Collaborate with developers to extend preferences to survivors of gender based violence
- Middle income earners are being left out of the conversation. Too much money for affordable housing, but not enough for a down-payment. What gives?
- city-managed subsidies for housing choice

- Perhaps landowners of the Outlets and other shopping centers would be willing to redesign the buildings to include living spaces, since retail is struggling these days. They would have to hire an architect, so that the redesign looks inviting. This would benefit the businesses as well, since residents would have an easy walk to shopping.
- Low income or free help for tenants
- incentives' for ADU's
- Streamline permitting process for building ADUs
- More financial help with rent for low income families
- Invest in the community and infrastructure, not more homes. Take care of the town and existing residents, and not lure more crowds into town and have it be overwhelmed.
- The problem is NIMBY and as long as residents are allowed to vote on these projects. We will never reach affordable housing because it affects their assumed property values. Every California owner only cares about their property value not the status of their neighbor
- Help domestic violence victims with housing
- Better plan additional housing to be integrated with essential services like food and transit to reduce traffic congestion while also increasing housing availability.
- improve infrastructure
- Gilroy is crowded enough. We don't need more building.
- Stop stack-n-pack units. If Gilroy wants to grow, expand the city not put more people in a smaller space.
- Build low-cost/high density housing in areas near shopping centers/grocery stores. Building low-cost housing in areas where one would need a vehicle to get to shopping is just plain dumb and poor planning.
- Please do not approve anymore high density housing. We have way to many of these as is.
- Prevent landlords to increase rent prices
- Prioritize housing for the homeless
- permanent supportive housing in Gilroy
- We do not need to build housing in every plot of open land. What makes Gilroy so beautiful and what makes it stand out are the open areas that are around the city.
- Allow BMR owners empty nesters to rent extra rooms in their home without being penalized. Allow them to build ADUs without adding restrictions.
- The city needs more amenities like larger grocery stores. Morgan Hill has 3 large spacious store with 10K less in population than Gilroy. You are overcrowding the area of First Street, Santa Theresa, and Hecker Pass. Where are the amenities?
- smart planning
- Create more units and access to "truly" affordable housing, geared at ELI
- Education/resources for youth and young adults for homelessness prevention, and housing options from renting apartments, to roommate living, etc.
- Address the homeless encampments and escalating crime
- Housing for middle income
- Developers need to be required to build in the categories that have not met 2040 quotas before being allowed to build in categories that are above 100% of 2040 quotas. They need to actually focus on creating affordable housing - rentals before homeownership - before allowing developers to build homes - they don't build affordable housing as it's not as profitable as the homes for sale. They also need to be required to build adequate parking along with the developments - our situation out here at the butt end of the county and being rural has different needs than those in bigger cities - the current criteria does not fit the needs of Gilroy that most developers and some city council members are pushing for. We do not need more housing in the categories above 100% of 2040 quotas - we do need more affordable rentals. No more mega monstrosity developments until there is adequate affordable housing - then the housing developments can start up again. Why is everything geared to the developers, who already use loopholes to overabundance us with the mega monstrosities??
- Attract more good jobs, not more houses!
- I think Gilroy has enough housing as is. I would prefer to eliminate low income housing that has a history of police involvement. I prefer larger city's like San Jose to create additional low income housing. I left San Jose to get away from the homelessness & transient issues that run rampant in San Jose.
- We should not encourage the homeless to congregate in Gilroy. Living in Gilroy is not a God given right.
- Tiny Homes with support services
- Need more grocery stores and highway widening before building more houses. I have been grocery shopping in Morgan Hill. The grocery stores here are always packed, day and night.
- Gilroy does not need more affordable housing. If it is not affordable as is then moving to another city should be the option. Gilroy is already too crowded and the road access has not been expanded to accommodate. None of the above programs are necessary nor will improve Gilroy.
- Stop building homes. We are too crowded. If you have to build single family homes not monster homes (2 stories 3000 sq feet) simple single family homes

- Make incentives for townhomes
- No high density housing.

Spanish Responses

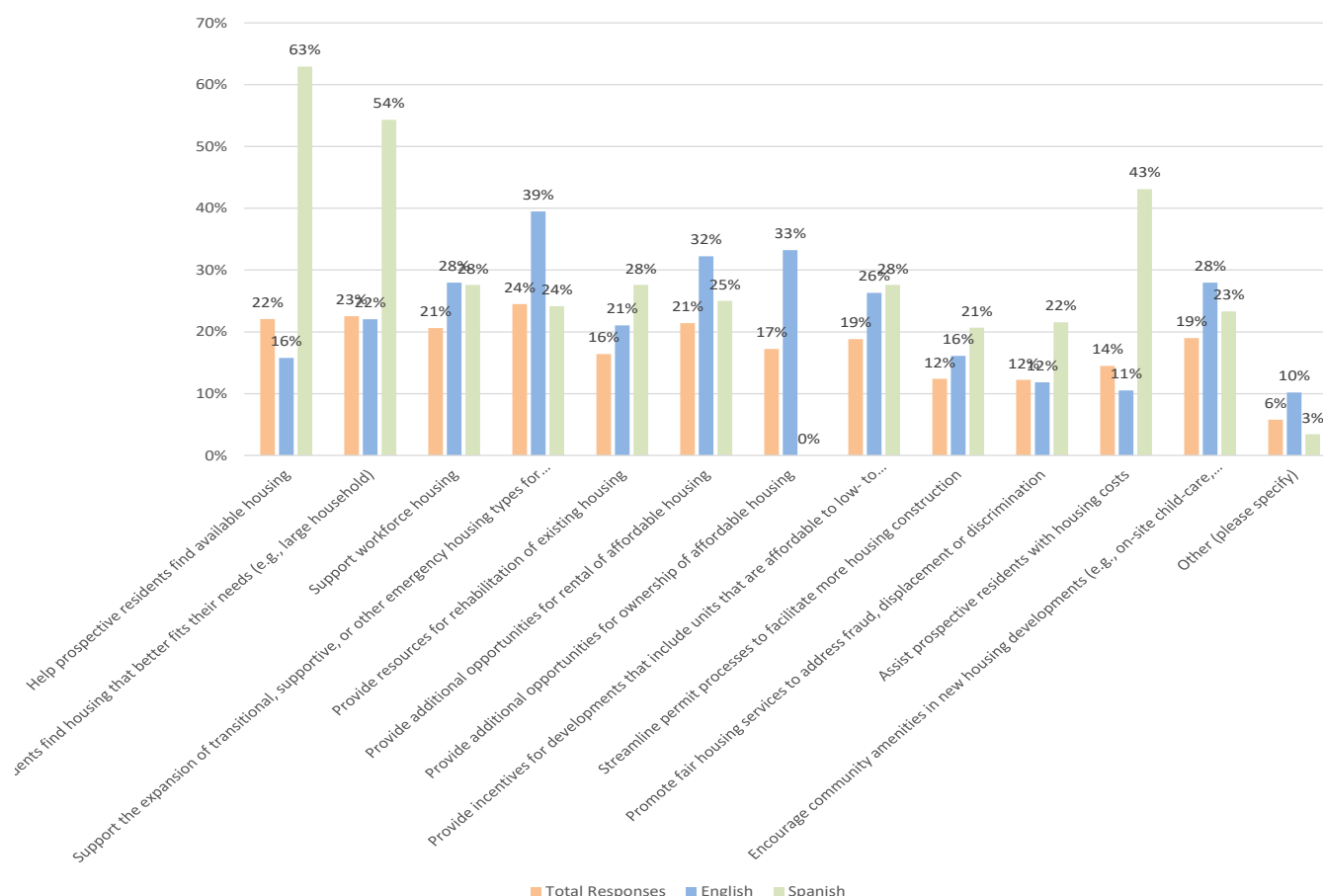
- Control price on rent and deposits.
- Extremely low income housing.
- Extremely low income housing.
- More low-income apartments.
- Help with all the requirements they ask for to rent a place. Help with that because ultimately they exaggeratedly ask for so many requirements to sell an apartment or house

Q14. What types of programs or activities do you believe the City should implement in the 2023-2031 Housing Element to address housing needs? (Select your top 3 recommendations.)

Total: Answers = 446; Skipped = 64

English: Answered = 316; Skipped = 51

Spanish: Answered = 130; Skipped = 13



English Responses

- Promote public transit options to new home communities
- Section 8
- Low income apartments based on gross income
- Offer housing being built to LOCAL teachers, law enforcement, firefighters
- Please stop building more houses until we have more water.
- Stop building, we don't have enough resources
- Promoting affordable sustainable housing that moves towards 100% solar power that can be used to give back to the community

- Promote creation of well-paying jobs for existing residents
- Build more grocery stores, etc to accommodate all types of income. Gilroy is only building low income units and forcing the existing residents to go to Morgan Hill to grocery shop
- Inclusionary housing ordinance for all new and rehabbed residential development
- senior units
- HABITAT FOR HUMANITY HOUSING
- give low or free help to tenants
- Provide incentives for developments that include units that are affordable to Extremely Low-income households
- Provide money to Infrastructure and planning BEFORE adding any housing
- Prevent overcrowding and stop building new affordable housing complexes where they are squeezed in and increase crime in a relatively safe area.
- We need to invest in the value of our city and make it better and cleaner. More retail businesses and better quality educational system. Good rated schools
- Help CURRENT RESIDENTS WITH PROSPECTIVE HOUSING COSTS.
- Get out of CA housing plan and determine city's own future. We need to remain a community, not become another suburb of San Jose
- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of them have big yards to build ADUs.
- Increase ELI affordable housing
- Extremely low-income need truly affordable rents
- Add amnesties that compensate all the building going on in the west side. More grocery stores. Morgan hill has well managed and clean, large grocery stores with lots of parking
- Support city infrastructure
- We need to care of those that are here, before we try to attract others to move here.
- We need to re-zone to incentivize dense housing near transit.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- Please take care of the homeowners who already live in Gilroy & update the existing neighborhoods. Stop trying to bring in more low income / subsidized living, it mainly attracts the type of people who do not have anything invested in this city and when you have no skin in the game, you don't care what your "free" home or the city looks like.
- Incentivize the splitting of large plots - 1 to 5 acres - into subdivisions for Miri houses for homeless. This will mix homeless with regular society rather than putting them in concentrated areas where they are pressured into continuing or starting bad choices.
- More lower income housing for current residents
- Provide enough parking for these apartments. They overflow in to the neighborhoods and detracts from the neighborhood
- There are many places to move that is more affordable and less crowded than Gilroy. We do not need to continue to cram more housing units of various types into our already full city.

Spanish Responses

- A park for children with special needs.
- housing for loving adults with non-severe disabilities.
- to rent or Buy a house or where to live
- A park for children with special needs. Including all the children.

Q15. Please describe any other considerations, policies, or programs the City should consider here:

Total: Answers = 131; Skipped = 379

English: Answered = 119; Skipped = 248

Spanish: Answered = 12; Skipped = 131

English Responses:

- Need case managers who do not discriminate or only help who they want.
- Safe Park, transitional housing, family homeless shelter
- Lower taxes on single family homes
- There are too many badly planned housing developments like the one next to the armory on Wren or by the south sports park, 3' setbacks do not allow plants to improve climate control. Townhouses would be a much better option.
- Low income rent control. The moreover income can save the sooner we can vacate the unit to home ownership
- More affordable Recreational Programs for all ages

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- The city of Gilroy is sprawling everywhere and it's sad to see. Gone are the nice areas around Christmas Hill Park. Filling every green space with housing is idiocy. I've seen this in city after city, most recently Morgan Hill. They built high density housing on Monterey that look like prison barracks. And what followed was a whole host of problems, gun shots all hours of the day and night, constant police calls, harassment of established single home residents, a plethora of non working street walking thugs. Morgan Hill used to have the criminal element that rented hotel rooms and worked their crimes. Now the city council decided to invite them to live in the city by building huge multi people cramped high rises. It was a bad decision by the city council, one that I would hope Gilroy would be smarter about. Lets talk about infrastructure - we don't or won't have water for increased housing. We are all cutting back drastically now! How can you allow developments to keep building without addressing the water issue. Even the water we have is polluted with high nitrates. Don't buckle under to developers and the lure of more tax dollars. You'll be spending far more in city services than you will ever gain. It's time to put out the "NO VACANCY" sign.
- The City must take responsibility for the fact that it's community that is homeless is THEIR responsibility and their people. The City needs to immediately find sites for emergency housing, tiny homes etc and stop making excuses for why they won't. One I hear often is prioritizing parking over housing site options. We've done too little for too long!
- Without sufficient water resources, this area can't support any additional citizens
- More police
- Co-join as many programs that would help fund the housing we need
- Allow below-market housing by right
- Most housing requires 3x the rent or more which makes it difficult for people to get into and keep housing. Minimum wage is not comparable to cost of living
- Section 8
- Helping first time owners, who live and work in the town
- All current apartments should have ac units especially low income apartments
- traffic and congested street parking
- Again housing numbers are fine, need to build up business and downtown. Expanding faster than infrastructure sewer, water etc and PD and Fire. Let's focus on being able to take care of what we have before expanding more. Can't be behind the horse rather than ahead of it
- Support improvements on Monterey and build apartments / condos in the downtown area.
- make tiny home communities on vacant lots
- Stop building until we are out of the drought.
- Stop building, we don't have enough resources and we are destroying the land around us!
- Public transportation, water shortage with increased housing
- There should be stricter rules, consequences, for the people who are living in our street who collect a bunch of junk. Those living conditions are a hazard to the community members who live around it to see it, smell it and live around it; putting their/families at risk. The city of Gilroy and law enforcement should be able/allowed to enforce fines, incarceration of those who are not following rules/penal codes.
- Stop accepting money in exchange for homeless groups to be bussed and left on our streets. Bus them back to where they came from and clean up the camps. What has happened is terrifying.
- In any development there should be required large open spaces for families to enjoy. The city should be having ideas about where to put more open parks for families, children to go and enjoy
- Stop all new housing construction. Extend recycled water to existing homes for landscape use. Subsidize grey water use for landscape. Promote creation of well-paying jobs for existing residents.
- how to overcome objections to changing nature of neighborhoods in line with State focus on Affirmatively Furthering Fair Housing
- Gilroy is already overcrowded. Bringing in low income housing will lower the value of the current residents who worked so hard to buy their homes.
- Better roads so traffic moves and you can get to and on 101
- A safe parking facility as a bridge between homeless and housed
- Gilroy needs more amenities for all the additional housing being built. No one ever addresses this issue. There is never an answer.
- Single individuals or small workforce families 2-3 should have more help so they can get better jobs or just not be homeless. It's crazy that you have to be a single no income person on this city to get any help with access to subsidies or other programs.
- Inclusionary housing ordinance
- Policies to address the needs of people with mental illness
- Minimize construction red tape
- Whatever programs the city supports, the support should be for working class families - i.e., support wage earners first.

- There is a need for inclusionary housing ordinances in the City of Gilroy. As far as available resources, the City does not have full-time Detox/substance abuse facilities or services (we just have a mobile unit that comes into town 1 day per week.)
- Down-Payment Assistance to Middle Income work force.
- Rent control especially for low income seniors
- Zoning for high density housing downtown and near Caltrain and bus lines.
- Consider aesthetics (like landscaping, open space, architectural beauty, comfort, and eco-intelligence) in ALL new and rejuvenated construction. Such aesthetics make for happier residents throughout the city, in addition to the individual neighborhood.
- Community volunteers help seniors with painting their houses, etc.
- Program for Single Parents & Seniors affordable housing.
- renters need free help dealing with landlords who are not ethical
- Control affordable pricing.
- Establish a Safe Parking Program at 8th and Alexander
- Sanctioned encampments land/areas for people/families who are living in vehicles/oversized/RV's(and in transition of finding more permanent housing.)
- Safe parking program
- I think the most immediate need is for safe parking programs like the one in Morgan Hill in Gilroy
- Current and new affordable housing units should have an overseeing board to improve quality and safety of individuals and families living there
- Studies, planning, to City of Gilroy's infrastructure is required followed by funding then changes. The city's water, sewer, power, garbage, and school require attention. The police department needs to be increased now. The current department is useless as they make no efforts to stop crime, or murders. The downtown buildings on Monterey Rd. are substandard. The retail and food is lost to Morgan Hill and San Jose.
- The city needs to stop taking cash grabs and refuse the new building of affordable housing duplexes. The city is small and already overcrowded. This needs to stop. It is entirely unfair to residents that have lived here more than a decade that now have to deal with the influx of new residents and yet no increase to general infrastructure. Where are the better roads? More schools? If you want to be greedy as a board and continue taking money grabs, at least fix the city's infrastructure before you allow crime and overcrowding to befall us all.
- Put pressure on the State or County to provide more Section 8 funding in order to help more people with their rent.
- Slow the growth of construction like Morgan Hill does
- Stop building new homes and low income housing communities. We need our town to be safe and modern and be of high value. More retail spaces, shopping plazas, entertainment
- I have grown up and loved in Gilroy and Morgan Hill all my life. During the 2008 housing crisis I was pushed out of my home forced from Morgan Hill to Gilroy and in 2021 I was officially pushed out of Gilroy to move out of state across country to find affordable and up to code homes. It breaks my heart to leave behind my family my friends and the only place I've ever called home. My family history goes back over 120 years in Gilroy Morgan Hill and Hollister. That is my home and to struggle for years to desperately cling to something that clearly doesn't want to keep around is sad. You talk about bringing incentive programs for prospective residents but why aren't you serving the ones you have? Please put in things to do in town for families, kids, teens, and adults alike. Don't cater to the rich they have enough.
- More rent controlled apartments, public housing Q&A, housing workshops to prepare prospective buyers build timelines.
- Programs to help people apply for housing and not be discouraged
- Have more income based housing
- Please limit the number of affordable housing units being built. Gilroy has set this quota at 59%, which is much higher than the rest of Santa Clara county. Too many affordable housing units will lead to overcrowding and crime. Plus, we simply don't have the infrastructure to support an influx of new residents. A lot of the streets are single lane, which is already leading to traffic problems during peak hours.
- Too many low income housing will negatively affect current homeowners who have worked so hard to purchase and maintain their home. Our rights to maintain our home value need to be protected too.
- make tiny home communities on vacant lots
- I cannot stress enough the fact that the current housing being built is often far from basic things like schools, food/groceries, and good public transit. Without integrating these things into new community developments, the city will have increasingly terrible traffic and turn into a smaller version of the San Jose area, which is ridiculously congested.
- Gilroy doesn't need to attract more homeless.
- make sure people who are getting support from the county actually need it--way too much abuse of the housing program
- Realistic infrastructure needs for housing and business growth to support outlying areas expansion
- Tenant protections against evictions that lead to more homelessness.
- Gated parks with cameras
- More options for homeless housing/encampments.

- Homeless programs need to be set up for our community. People are living in their cars in our neighborhood parks, on our county creeks and our city streets. It becomes a very unsafe environment for people just trying to enjoy our community. We need to keep moving these encampments off our city and county areas so they reach out to programs being provided for them.
- Please no more duplexes or apartments. Gilroy has been attracting a lot of people who commit petty crimes. I think if you allow more high density housing crime will get worse. We already have more than enough people living here. Let's instead concentrate on our homeless problem as well as use funds to spruce up the Gilroy we already have. The streets do not need anymore people on them it's congested enough all ready. The grocery stores are always packed as well. We do need anymore housing.
- Cleaning up the homeless problem
- People with disabilities and seniors are who are on fixed incomes are being left out of the planning very often. Limited funding for rental assistance and accessing it is very difficult if you are not the agency holding the purse strings. Undocumented workers and seniors with little income are also being left out of the equation
- A solid plan for housing the homeless, including a plan for the homeless with pets or those that do not want to participate and insist on living in tents
- Designate a staff associate to housing and funding availability from county and state programs.
- This City is behind in creative ways to house the homeless. Think Tiny houses, church parking spaces for families to have safe overnight stays, even if it's their cars and have services there; etc.
- I believe we must address housing needs of low income, very low income, and unhoused people. I believe all other new housing should be proven sustainable before approved for building. California is facing resource scarcity issues--notably water shortages--which must be built into planning.
- We do not need to build housing on every open piece of land. Keep Gilroy beautiful. There is a responsible way to build homes.
- Allow BMR owners that are now empty nesters to rent extra rooms in their home without being penalized. A lot of the have big yards to build ADUs.
- Restrict the number of housing units being built. Gilroy is growing too big and a majority of its residents do not work in the area or support living here. Everyone is on the road for more than two hours to and from work in Silicon Valley. We need better transit systems and better road conditions before allowing more people to move to Gilroy and travel on an already inadequate highway system.
- Need more amenities. Y developing the land around the outlets with businesses, it would bring income into the city
- Consider impact on current residents and impact on traffic, fire and police infrastructure, water needs and environment.
- Infrastructure. As a member of the Gilroy community, we need to have a town where we feel comfortable in and is sustainable. Everything is crumbling around the city and why bill more when the cost to live here is not affordable. Referencing the utilities like water garbage and PG&E. They are skyrocketing and at the same time nothing is being done to maintain these systems except increase pricing on the homeowner. Our downtown looks like shit and no one wants to visit it. We need restaurants and nice parks roads. We can't build more housing without supporting the surrounding areas
- I see so many of my peers experiencing homelessness because after their parents or whomever they lived with moved away, or their loved one died, they had no idea what to do. I experienced homelessness myself as a child, again as young adult, and now live in constant fear of not having somewhere to be safe or rest my head. I don't have any kids and make less than 30, 000 year so there just isn't any resources for me. And if there are, it should be easily available information. All I see is list with apartment phone numbers. Just not enough education on this very important matter. Thankyou.
- Do not continue to expand Gilroy with new builds without updating our infrastructure and businesses -traffic is terrible, the houses and neighbors we do have aren't nice, both of our major grocery stores are right next to one another, current residents need better quality of life before we grow
- Renters must make 3x rent amount to qualify for an apartment is impossible in most cases! Finding other ways to qualify
- Homes for seniors, single stories, 55+ adult communities.
- Coordinate county services with new affordable housing to house homeless individuals
- Expand our amenities on the west side. The city is forcing us to shop in Morgan hill because we have no consideration for expansion except to add more housing
- I get \$1000 a month for disability my rent is \$1000 in the trailer park I can't make ends meet soon I will be homeless
- Need supervised housing for small groups of mentally ill who can't adequately care for themselves or take their medication reliably.
- Sports programs for the young to teenagers
- Don't allow apartments to be built right next to nice single family homes.
- Most of us moved to Gilroy for the small rural town vibe - we do not want to be the next big city with big city problems. The 2040 quotas arbitrarily assigned by the state politicians who are totally out of touch with "our "reality will double Gilroy's population. We need to preserve the small town feel rather than give in to mass growth- we need smart growth, not overgrowth.
- Beautification of Old Gilroy, paving, implement Standard for apartment appearance.

- I'd love to see an aggressive effort to up zone our main downtown commercial areas to allow residential/mixed retail. We should build strong transit links to the job centers in Santa Clara County.
- Stop all single-family detached house construction immediately, and re-zone for small businesses and jobs.
- No new housing! We need good restaurants with outdoor seating. More grocery stores such as Whole Foods. And a downtown renovation, and we need to preserve the open space we have. No new housing projects!!
- Plan housing with transportation connections, plan for active transportation, consider climate change needs
- I wish the city would install speed bumps down high traffic roads such as Wren Ave. Drivers have no regard for the speed limit or kids playing/walking in the area. High speed drivers are a safety concern and a noise nuisance.
- Inclusionary ordinance
- There needs to be affordable and low income housing in all areas of Gilroy, not just the north area. It is like the west side is exclusive and does not allow homes in that area. For too many years Gilroy has focused affordable low income housing in North Gilroy
- Stop growing the city so quickly and fix the existing issues. We don't have enough grocery stores here. We don't have enough police force available. All this excessive building is just bringing more crime to the area. We are no longer a safe city. Have you seen all these new people drive around here like we are in a Grand Prix. These new housing are not doing anything if but making our infrastructure worse. They are not bringing new kids to schools locally because they can commute with kids. Our district is broken, work on that. We can have six Starbucks but not enough places to buy food? Focus on the city improvements first
- Buy the large plot on las animas and create a better tent area with drug control, security, showers and laundry
- Rent too high
- There are more affordable places to live. It isn't any city's responsibility to make their location a handout resource using hardworking taxpayers earnings.
- Build affordable housing in a nice community
- Please add Safe Park with support services
- It's become increasingly difficult for just the regular service employer (truckers, utility workers, health care admins) to qualify for purchasing a home that so many have to leave the area just to have a respectable home. The lower middle class are now considered low income and there needs to be more than just one unit per housing development designated for the low income. Good people in good homes equals a good city. It's insane that we expect everyone to make \$250k to live here comfortably, we miss that small town feel.
- There are so many things wrong with this town. Stop building high density housing. It looks like a ghetto. The ones being built on first and Kern are going to be a nightmare. Not enough parking and the traffic lights to handle the traffic.
- I believe that understanding individual households and their needs is essential to gaining knowledge for the housing element of Gilroy. For instance, I am a single parent to two children. I've been renting for the past 6 years and make \$170k a year. The rental rates are darn near worse than mortgage rates. It is not helping to provide an option of purchasing in this area. The housing crisis of cost and not even having homes that can suit people's different family needs is unfair. Creating factory type housing of all homes bunched together is not what everyone purchasing a home wants. Preferably homes can be made with decent yard space to allow for personal gardening of produce and chickens.
- Speed traps or speed bumps on W Las Animas Ave. This is an accident waiting to happen. Vehicles passing through from Monterrey rd. to church (and vice versa) use this as an expressway at very high speeds. Please look into it.
- Do not continue to make Gilroy more over crowded than it already has become. The infrastructure to get in and out of Gilroy needs to be expanded. We do not need to make the city more appealing to increase the city population.
- More work to improve our downtown, more restaurants and shopping. Not everything has to be low income focused, there are a lot of middle class families that love living here and would like more amenities.

Spanish Responses:

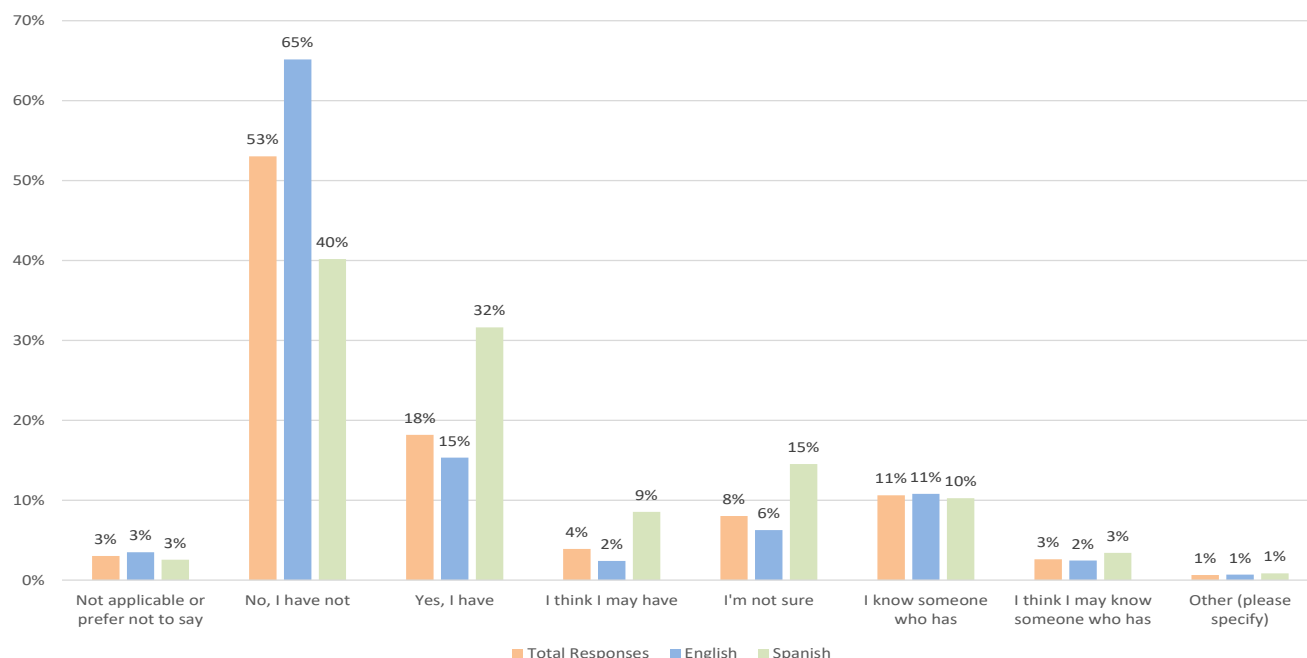
- Loans for home purchase
- Loans and Incentives for Home Purchases They should encourage opportunities to own your own home and not pay rent Lifelong
- Free music classes.
- More jobs
- Base rents
- Low cost housing is in high price
- housing
- Open space for exercise
- Financial Aid for layer buyer
- Childcare

Q16. Have you or someone you know ever encountered any of the forms of housing discrimination described above?

Total: Answers = 429; Skipped = 81

English: Answered = 298; Skipped = 69

Spanish: Answered = 131; Skipped = 12



English Responses

- Predatory lending is rampant despite your income.
- Same house is appraised for more due to buyers "assumed" race

Spanish Responses

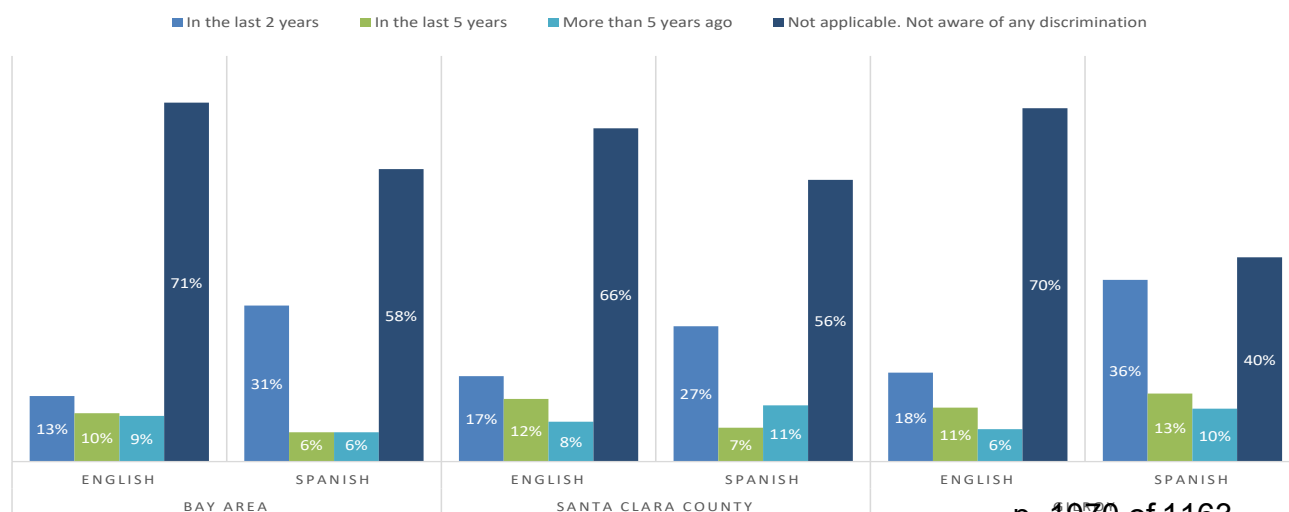
- For having a dog

Q17. If you believe that you or someone you know encountered housing discrimination, please identify when that occurred (Please check all that apply)

Total: Answers = 319; Skipped = 191

English: Answered = 215; Skipped = 152

Spanish: Answered = 104; Skipped = 39

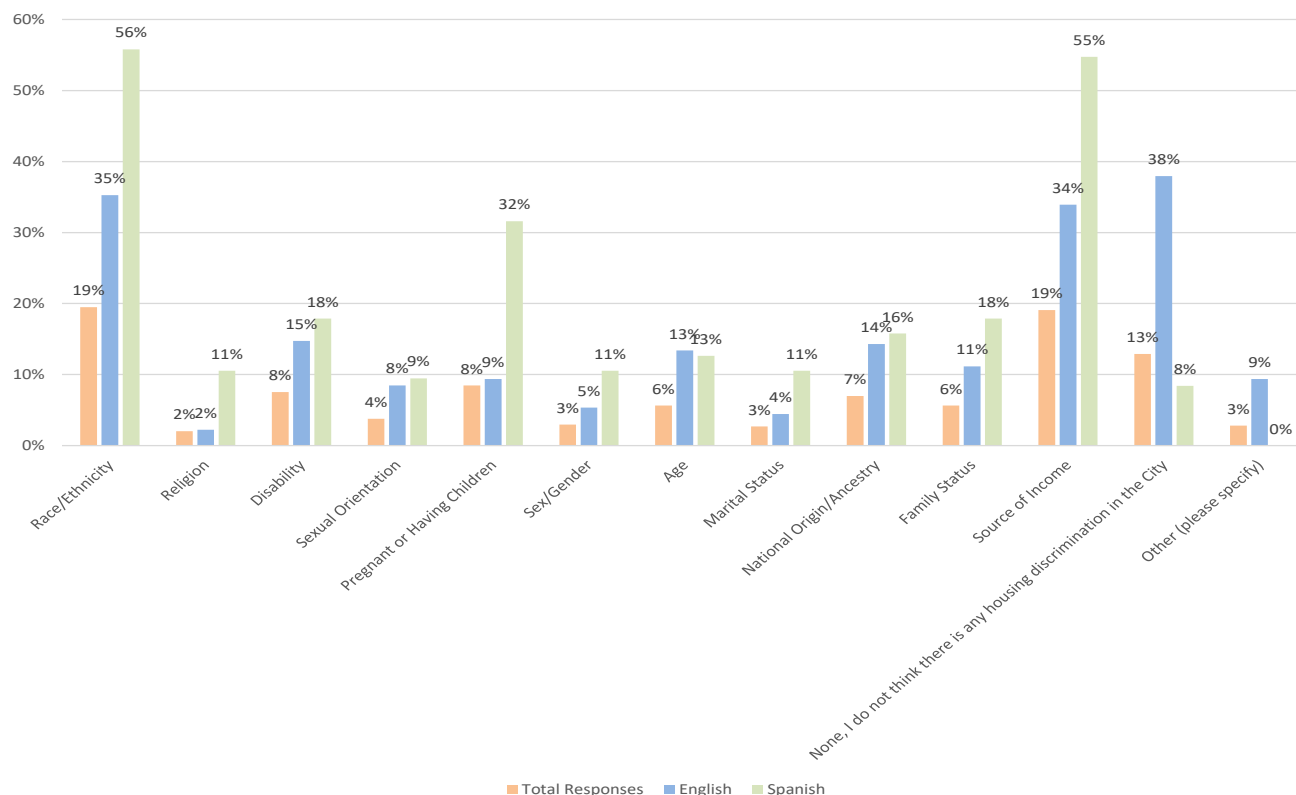


Q18. If you believe that you or someone you know encountered housing discrimination, please identify the when that occurred (Please check all that apply)

Total: Answers = 341; Skipped = 169

English: Answered = 233; Skipped = 134

Spanish: Answered = 108; Skipped = 35



English Responses

- Homelessness
- I know of no situations like this.
- I do not know enough citizen of Gilroy to be able to answer this question
- Realtors themselves are discriminatory -
- Not accepting housing voucher
- Amount of income
- Not aware of discrimination specific cases
- no opinion
- I don't know
- victims/survivors of gender based violence
- Criminal background
- Unsure
- Financial discrimination. Most time a standard practice is first months rent plus last month's rent plus a security deposit plus a pet deposit. Then application fee. Easily over 7 to 8 k. Who the he'll has that saved
- Criminal record (non violent)
- Unknown
- Consult Project Sentinel for this data.
- I unaware of housing discrimination; we were hit with predatory lenders.
- Housing Cost
- Mentally ill and homeless
- I do not see any discrimination

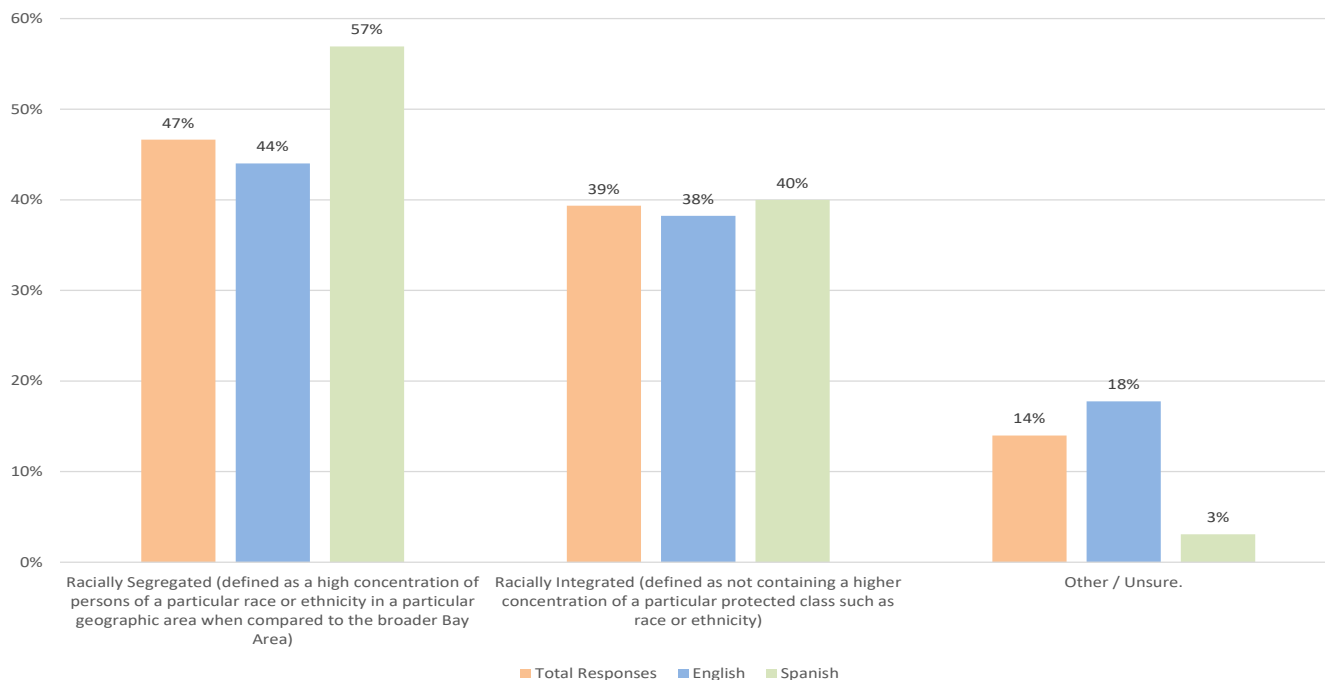
- i don't feel comfortable saying Gilroy has 0 housing discrimination just because i haven't personally seen any. I'm white, so where it does exist, I'd never experience it.

Q19. Please indicate whether you feel your city is: (Select one)

Total: Answers = 343; Skipped = 167

English: Answered = 267; Skipped = 100

Spanish: Answered = 76; Skipped = 67



English Responses

- I don't know
- I know little about the many neighborhoods in Gilroy
- Economic segregation
- One of the truly great things in CA is it's diversity - but everyone needs to understand the laws that this state, county and cities have adopted and abide by them.
- Unsure
- Unsure
- Gilroy, like everywhere, is segregated by socio economic class, which aligns pretty well with race in the US.
- unsure
- Gilroy is pretty diverse with the exception of east of the tracks
- Unsure
- I think it is somewhat diverse.
- Wonderfully diverse.
- no significant Communities of Interest in Morgan Hill
- Latinos who are lower income on east side I would guess
- This is a poorly framed question, and serves little to no purpose.
- Have not seen any stats on that
- It is neither but can become segregated if the city doesn't intervene
- Not sure
- It could be more integrated.
- Gilroy seems to have concentrations of fewer ethnicities than most of the Bay Area.
- Segregated by income which leads to segregation by race.
- Unsure

- Unsure
- Unsure
- Getting devalued and deprecated
- i don't know
- I don't know
- somewhat segregated
- Unsure
- Depends on affordability and income. You cannot buy or rent a Cadillac on a Chevrolet budget. My concern is for those who think they are "owed" the right to higher housing and don't want to work for it.
- We have a large Hispanic population but it doesn't show in the newly developed homes.
- I'm not really sure how racially segregated Gilroy is. I do know that a large portion of the Hispanic population lives east of Monterey Street and a very large portion of the white population lives west of Monterey Street.
- No comment
- More low income Mexican people live on the East side, but I think it is a result of income, not discrimination. Many Mexican people live in all parts of Gilroy.
- unsure
- No information
- I think Gilroy has a large Hispanic population but I think that is due to Hispanics always living here. Up until housing in areas like San Jose became unaffordable did other races start moving South.
- Gilroy does have a racial living divide. Although we all get along I believe, living areas are segregated. Not intentionally. But it has never been fixed or dealt with
- No we have a diverse city many who have been here over 20 years
- Unsure
- Unsure
- Not sure
- Unsure
- Gilroy is not segregated. It merely has different neighborhoods with varying prices of homes or living accommodations. This is how life is. If you can afford a small apartment then it will likely be located in a different area than someone who is quite wealthy living in a more expensive area. This is not complicated and should not require special programs to put all at a financially "equal" level. Handouts like affordable housing or restrictive rules will only create more financially dependent people.
- I suppose it would depend on the demographic rates but it's probably pretty segregated.
- Unsure

Spanish Responses

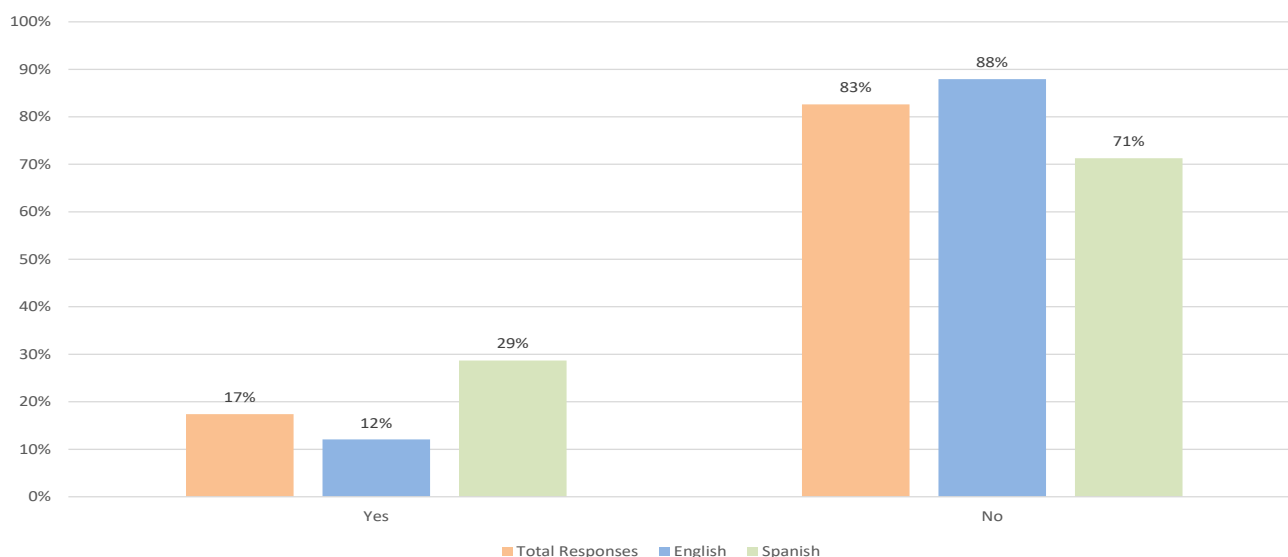
- I did not understand the question very well

Q20. In the past five years, have you had to move out of your residence in Gilroy when you did not want to move?

Total: Answers = 414; Skipped = 93

English: Answered = 293; Skipped = 74

Spanish: Answered = 121; Skipped = 22

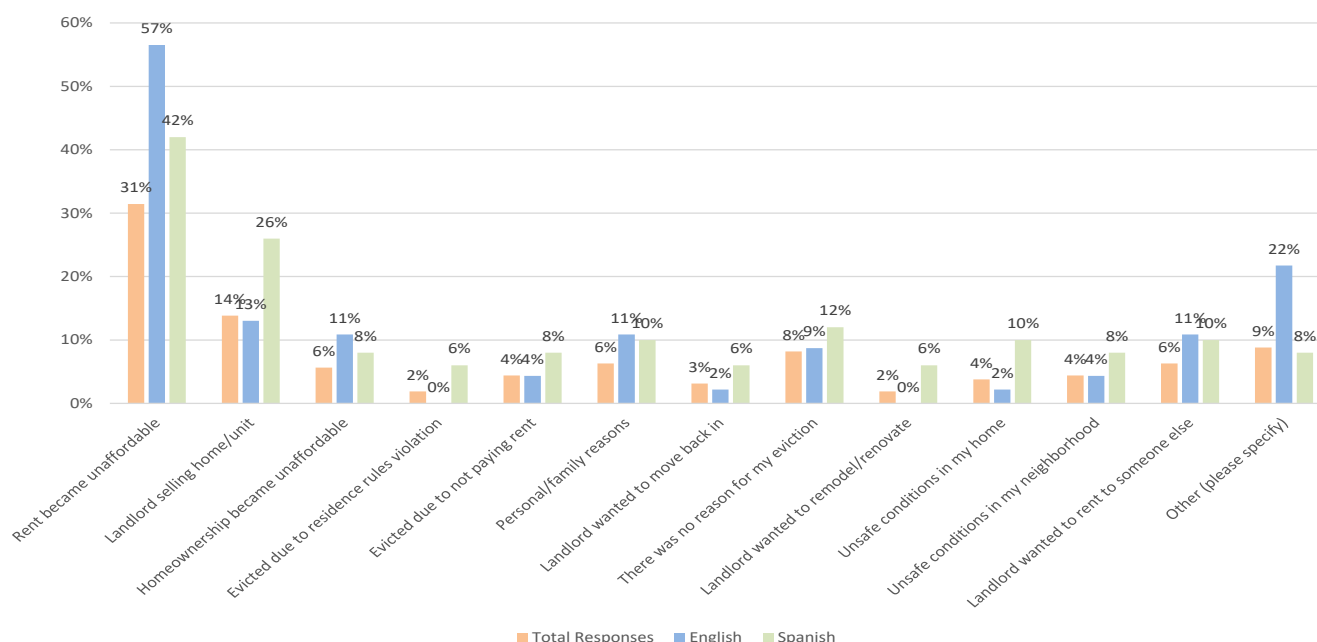


Q21. If you answered yes to the previous question, why did you have to move? (Select all that apply)

Total: Answers = 104; Skipped = 406

English: Answered = 47; Skipped = 320

Spanish: Answered = 57; Skipped = 86



English Responses

- moved from Morgan Hill because of the increase of crime.
- No protections in place to stop the landlord for doing so. They wanted more money and less accountability
- Dad kicked me out
- No
- Rent is becoming unaffordable and within a year or two or will be forced to move away
- Too many homeless were congregating near the park by my house, which was leading to crime. So I bought a home in what I perceived as a safer neighborhood. However, now that affordable housing units are popping up all over the city, I don't know if it's safe anywhere. The logical choice seems to be to move out of this city.
- Travel times to and from work.
- not applicable to me

Spanish Responses

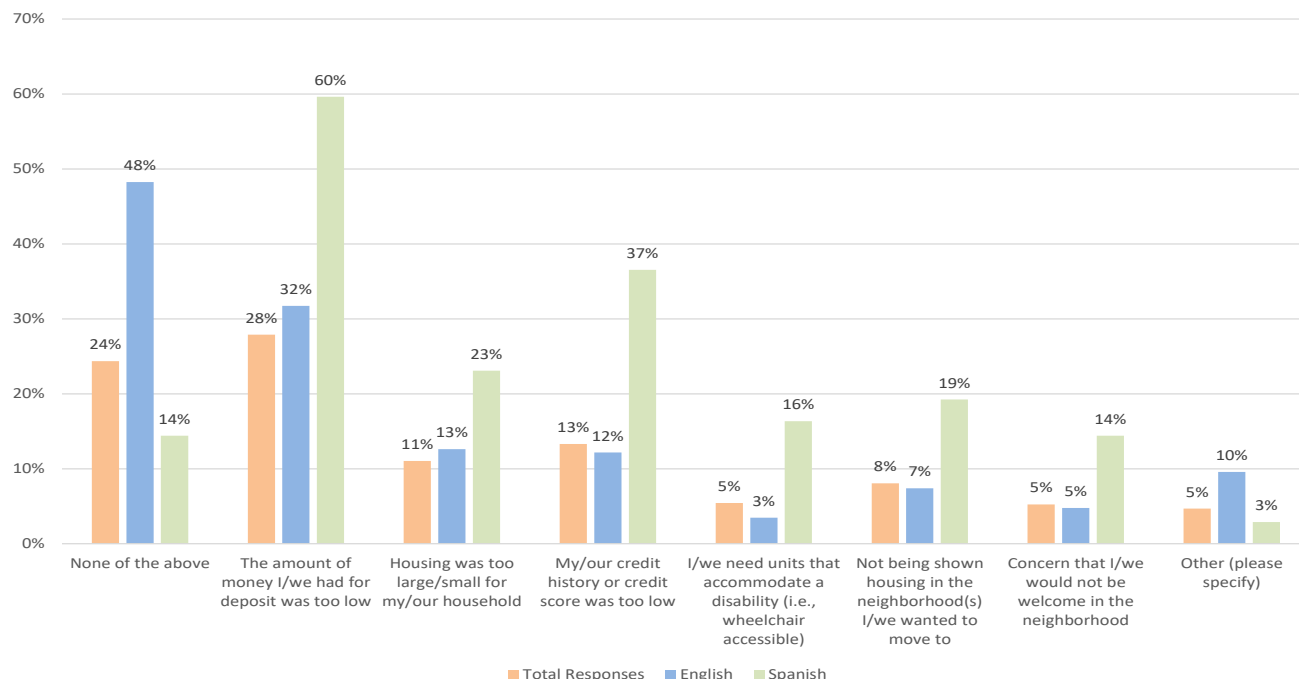
- The owner took my job
- I didn't move
- My rent went up
- Status

Q22. Which of the following issues, if any, have limited the housing options you were able to consider? (Please select all that apply)

Total: Answers = 355; Skipped = 155

English: Answered = 239; Skipped = 128

Spanish: Answered = 116; Skipped = 27

**English Responses**

- Lot sizes too small for anyone - (rats in a box syndrome)
- Did not make enough income to qualify or afford
- Priced out, outbid and investors buying
- House prices, priced out of market
- Having to earn 3x the rent in order to qualify for rental
- refused rental because I had money in bank but no job
- They wanted my paychecks to reflect 2.5x the cost of the rent.
- affordable financing for buying - it is very hard to come by for the wage earner
- Amount of rent
- require single story
- houses have become too expensive in Gilroy and criteria for affordable housing too strict
- I don't feel safe anywhere in this town anymore, with people shooting at cops and people walking around with knives and masks in our parks, and it's only going to get worse, it seems.
- could only afford foreclosures/fixer-uppers
- Low multi-family supply.
- Homes are very expensive in Gilroy
- Priced out of where we work. Had to move to Hollister even though our entire lives are in Gilroy.
- Neighbors did not keep up their home maintenance
- Many if those reasons applied until I worked harder and saved more money. I really wish City, state and federal government would stop trying so hard to make life easier for everyone. You remove all of the hardship involved in life and all the people

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you think you're helping will never appreciate anything. It's completely acceptable for people to struggle, even families with kids. Real parents will step it up and find a way when they have no other option but to work harder.

- Access to transit concerns
- Did not accept housing
- Housing prices (therefore monthly expenses) were out of our budget range.

Spanish Responses

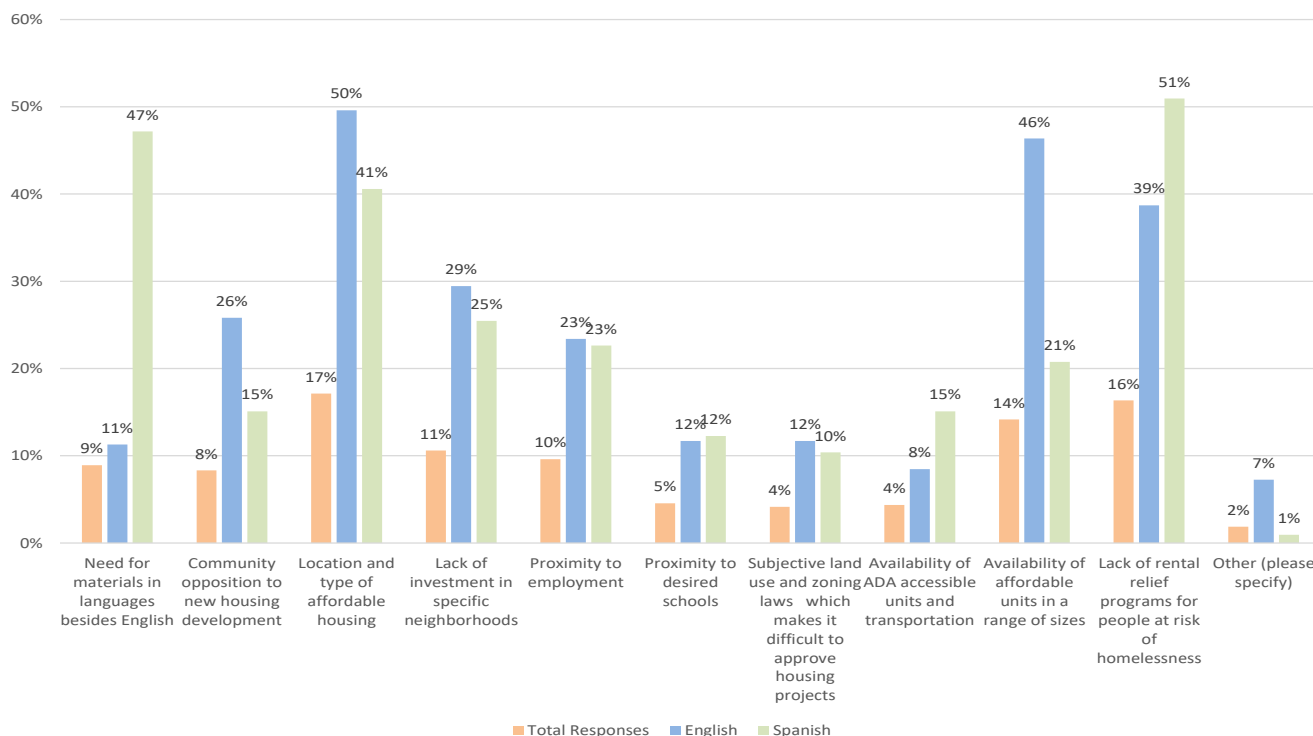
- Cost
- My parents lost their jobs.
- All this very expensive

Q23. Recent California Housing Law and California Department of Housing and Community Development (HCD) require extensive analysis and identification of contributing factors for a series of fair housing issues as part requires the 2023-2031 Housing Element to include local resident and stakeholder input. Please select the most important contributing factors impacting housing in Gilroy (select up to three):

Total: Answers = 377; Skipped = 123

English: Answered = 257; Skipped = 110

Spanish: Answered = 120; Skipped = 23



English Responses:

- We have a good police department, but not enough of them. No new housing without additional city services including new water sources. Weather from air dehydration as an example. Medical services are virtually non existent except for the emergency room!
- homes being sold to outside investors
- Lack of well-paying jobs for EXISTING RESIDENTS.
- no opinion
- Not sure what sizes are needed, whether for singles or large families, but there seems to be a lack of affordable housing for very low income households.
- Too many very low income housing; need housing for moderate income households
- Continue need for tenant dispute resolution help

- We need to work on transportation/commute before expanding the city. It's ridiculous that it take 1 hour to get to work in San Jose because there is no work in town.
- Gilroy is the LAST affordable place in SC county. So affordability is not a issue. The issue is the city isn't doing enough to bring in high paying jobs. The only option people here have is to commute to the valley or work retail/service jobs. The city planners are too busy building low income housing, which is going to make matters worse. Bring in some industry, high tech, and other high paying jobs, and people will be able to afford the homes. That's the way to address the housing crisis, NOT more government funded programs.
- Lack of investment in schools in low income neighborhoods such that large differences in terms of access to technology, field trips, and other resources exist between schools in low income areas and schools in moderate to high income areas (largely connected to differing opportunities of parent groups to fundraise)
- Council should realize many want Gilroy to remain a community and moving a bunch of people in through stack-n-pack units will destroy that community.
- Lack of local high-paying job opportunities.
- lack of housing affordable housing for low income, extremely low income, and unhoused people.
- Some City Council members opposition to affordable housing
- Lack of affordable housing
- None of the above
- More Section 8 housing units are needed.
- California should not require Gilroy to change or add different housing types. Nor should Gilroy get paid as an incentive to add more affordable housing. This is a corrupt way of business.

Spanish Responses

- It would be good if they didn't ask for credit because many of us don't have credit.

Q24. Rank your agreement with the following statements from strongly disagree (1), somewhat disagree (2), somewhat agree (3) or strongly agree (4).

Total: Answers = 418; Skipped = 92

English: Answered = 287; Skipped = 80

Spanish: Answered = 131; Skipped = 12



Q25. Please share any comments or recommendations that will help inform and guide the preparation of the City's updated Housing Element.

Total: Answers = 110; Skipped = 400

English: Answered = 77; Skipped = 290

Spanish: Answered = 33; Skipped = 110

English Responses:

- All of the low income dwellings bring lots of police and mental health activity. Most of the homeless population in the city are mostly drug addiction or mental health. They refuse to get clean to and refuse assistance because living with no responsibilities or rules is easiest. Some have families that live locally that they harass for money or their steal property. Homeless commit crimes of theft from stores and homes in the area and get away with it. The city or DA's office does not allow the police to police anymore. We need to quit giving them everything they need to stay here and terrorize downtown business and tax paying residents.
- WHEN CONSIDERING AN INCREASE IN NEW HOUSING, THERE NEEDS TO ALSO BE AN INCREASE IN GROCERY STORES AND PARKING TO ACCOMMODATE THE INCREASING POPULATION
- I love Gilroy and all it offers!
- Too many stores have closed, the water is becoming toxic and is in a declining supply. Existing city services such as fire and police hire good people, but there is not enough of them for the existing population. Drugs, guns and gangs are taking over. Medical care is lacking - why can't you attract quality medical care? Worse the city doesn't have the funding to improve on these things. The city has no business allowing any developer to even think about another housing project. Get your priorities straight - improve what you have before trying to build more ghetto like housing. The way to correct homelessness is through education and better employment opportunities. See if you can work on that - find a developer for that, not more crowded housing like Eagle ridge and that mess west of Santa Teresa.
- Homeless is an issue in Gilroy too many homeless in the streets. housing developments such as apartment building are run down make landlords liable to fix these units
- Provide housing for the people who are here, not the ones you are hoping to replace them with
- I have been here over 13 years I stay with my parents I'm on ssi and am in need of housing my dad wants me out but I don't have section 8 I need a apartment for 300 or 400 dollars a month not unless I can get housing everywhere I look it's 1,000 or more please help me get housing.
- Gilroy is a bedroom community for Silicon Valley, across all socioeconomic levels. (Although more tech professionals can WFH than before Covid-19!) Getting hourly trains from Gilroy to Palo Alto should be a priority. (Not a housing issue per se, but if people are spending less on transportation, they have more for housing.)
- moderate and Middle income Gilroy homeowners being ignored yet they pay their part in property taxes.
- Gilroy needs 3-4 bedroom town houses, condos, and houses. Reasonably priced!
- I love Gilroy!!!
- We shouldn't keep building just to build, each home should be made thoughtfully and invested in with purpose for future sustainability. Our biggest resource is the sun, let's use it and normalize accessibility to solar powered homes/communities/schools. Water is also a diminishing concerning resource as well. How can we be resourceful in that regard as well?
- A lot of cockroaches near the schools. Sidewalks are dirty. Sometimes shoes hang on electricity wires. Roads have potholes and not always paved alley ways. People let their dogs poop anywhere and everywhere so more garbage cans or doggie stations would be nice throughout.
- not sure if you can do anything about this, but marijuana smoking is a problem. I shouldn't have to smell neighbors smoking weed when I'm in my house.
- The school systems and Gilroy are very poor. And the closest good store is in Morgan Hill to shop bad. Crime and homelessness is on the rise in all areas of Gilroy. I am not comfortable walking up at the levee or around town.
- Stop building housing for new residents and concentrate on responsibly serving existing residents. Promote creation of well-paying jobs for existing residents. Look for ways to REVERSE irresponsible growth in Glen Loma and Hecker Pass. Target 50,000 as maximum sustainable Gilroy population.
- Combine with traffic and roads and parking on site, not on the street. The cars on the street at some units make them look like the projects taking away from the experience of all
- Where are the amenities with all the new housing going in!
- I'm scared that at any moment I could become homeless. If that happens, I will surely lose my job, my pregnancy and possibly my mind. It will be so hard to come back from that. But the prices in Gilroy for the most basic apartment, are simply unreasonable.
- We need extremely low income units
- More affordable housing opportunities of all kinds
- We need workforce housing opportunities
- Commercial linkage fee to pay for this type of housing

- Inclusionary housing ordinance to require 15 percent affordable units in all new residential development
- The major problem for typical residents are the costs to buy and own. If the city of Gilroy wants to truly help employees, focus on the ones that work - not the ones who don't. Help them by reducing the amount of crap in the following: 1) make building and adding ADUs as simple as possible 2) Help working-class people qualify for loans 3) keep free enterprise as the basis for your programs. Do not adopt socialism or worse yet, reward for those who do nothing.
- I don't live in Gilroy but I serve clients who live in Gilroy.
- Need to focus on housing for middle income households; excessive amount of very low income housing already exist or planned in Gilroy beyond county requirements.
- Please provide 55+ apartment, or single parent duplex communities that are affordable.
- Transitional housing options for folks at-risk of being homeless and currently homeless. Options such as ADU's, tiny homes, etc.
- "High quality" parks are needed for children. Just a few newer parks have been built where new developments are. The existing parks have not been updated.
- Unbiased studies need to be conducted. No new housing should be built until the current residences needs are addressed.
- Invest in a more walkable and bikeable Gilroy! Most businesses and amenities are along main thoroughfares or in specific parts of town, forcing most residents to drive for groceries, shopping, and other amenities. These same thoroughfares are often how drivers exit town on their way to workplaces outside the city.
- Invest in more mixed use zoning, especially in zones that are currently just residential.
- We really need to figure out commute time and access. We need more Caltrain service and expand 101 into San Jose. We need to work to afford to live in town so facilitate that first before building more homes and no jobs or roads.
- Gilroy has done more than it's share of home building over the past 20 years with one of the highest growth rate in the Bay Area, yet the price of housing has just skyrocketed! Obviously building more quantity is not the answer. First-time homebuyers and renters need financial help from the State or Federal government. The rents charged for even the affordable units are out of reach of many. I am not sure just building more units will help them.
- Overpopulation and low income housing is devaluing the city and more and more crime is evident
- Miller Park is disgusting it was our closest park for the kids and I stopped going altogether. The homelessness problem and drug use was out of control their. The police presence was completely absent unless a fight, overdose, or rape occurred. Its incredibly sad to see Gilroy feel the need to be like downtown Los Gatos. You have a predominantly Mexican population and you should be proud to cater to these traditional customs and not white wash it.
- I have lived in Gilroy my whole life I was born here. My kids and I are domestic violence victims and we are looking into moving out of my moms house but it's hard cause their is really no open waiting list or programs to help me with rent when I need it
- Bring industry and high paying jobs to the city, if you want to address the housing problem. Flooding the city with low rent apartments isn't the solution. It's going to lead to overcrowding and crime. Gilroy already has a high crime rate and an influx of low income housing is only going to make it worse. If this keeps up, all the tax paying, upstanding, home owners are going to leave the city in droves. I guess it'll definitely become affordable to live here then.
- The city and community organizations such as churches and non-profits should combine their efforts to create several types of tiny home communities for the homeless from bare minimum shelter (shed structures with access to showers and toilets) to permanent long term tiny house.
- I would love to see the city do more to promote organic, sustainable farming practices in our community in an effort to improve air and water quality.
- I don't mean to sound mean or selfish, but Gilroy is doing pretty good. Attracting low-income and homeless is not going to improve the quality of life for Gilroy.
- Infill development needs to occur within in existing infrastructure. Affordable housing for working families.
- Horrible water alkaline off the charts
- A city of homeowners is a better place to live than one with a bunch of apartments. Build more single family homes with yards and the quality of community will remain healthy and crime will remain low. Also, consider a regulation preventing REITS and other large investment firms from buying housing in Gilroy. Keep the houses in the control of families, not conglomerates.
- We need more multifamily and affordable housing for families. Quality homeless shelters and transitional housing would help the homeless that are forced to live in vehicles and tents.
- We would love for the city of Gilroy to respect and maintain the beautiful outdoor spaces, lands and Not over develop. This is why we moved to Gilroy over 25 years ago. We have seen many, many new homes developed in the past several years. Traffic has worsened, roads need repair, and it is starting to feel like we are no longer in the country.
- Too many of our residents live in Gilroy but commute to work in Silicon Valley. Gilroy needs to attract businesses that can employ these tech workers, bringing wealth, investment and a sense of community to our city.
- Homeless & crime is a large impact on community, increase in both is a concern. Roads & traffic are also being impacted by so many new homes being built with no new accommodations being made with these increases! How can one pay a million dollars or more for a home & have homeless encampments everywhere in town.
- None at this time

- Make sure there are easily accessible crosswalks that are lighted for seniors, children and families. There are many areas in the City that do not have great cross walks, especially near parks and people jay-walk all the time
- Gilroy is highly segregated, poorly designed from a city Planning perspective, including shopping and amenities. Old money, power relations and structures, old thinking and politics controls Gilroy. Please do things differently.
- We need additional housing for low income, extremely low income, and unhoused persons. My belief is we have taken on our fair share of middle income and high income housing, and should curb other development unless we have proven resources to support, and adequate protection for the environment.
- We need better infrastructure. All these homes are being built with no investment into a new grocery store, places to eat, places to shop. Gilroy needs more of the above items, otherwise people will continue to spend their hard earned money in other cities like Morgan Hill.
- I do not support projects that do not have to contribute to impacts such as traffic, public safety, and recreation/parks.
- Stop housing and business development impacting natural environment. e.g Hecker Pass
- Do not expand Gilroy with more new builds without investing in infrastructure, downtown and diversifying the businesses we have. Are there incentive programs (for homebuyers and/or owners) that we can implement to fix up our less beautiful neighborhoods before we just start building cookie cutter neighborhoods on the outskirts of town? It's embarrassing to be from Gilroy when our neighbors (Morgan Hill, Hollister and even San Juan Bautista) have grown so well!
- I'm not sure if this is a city or utilities issue but if high density housing is going to continue to be built there needs to be something done to address the unreliable power service we have been receiving here. The power outages due to fires is to be expected but our power goes out for hours — and even days— with no weather or fire issues at all. I really feel that in order to continue to allow building to continue at the pace it's been going this and the homeless encampments need to be addressed.
- Council members not supportive of its most vulnerable population. Recall mayor
- Build no housing until the drought is over.
- Need more transportation options and improve our streets pot holes.
- Please consult with Social Service agencies, both public and non-governmental. They know the needs better than those of us not seeking housing at present.
- I love living in Gilroy because of the open farmland and the various parks. I also love that it's not overcrowded with so many people living in one home that there's no parking on the street.
- Please keep in mind parking when planning as well as not charging HOA dues.
- Just don't make Gilroy lose its hometown feeling/look by overcrowding with so much housing and integrating apartments and low income housing right next to expensive and nice homes.
- My dad gave us the down-payment so that we could meet lender qualifications and closing costs. Our loan went thru modification due to being predatory in nature; if the modification wasn't approved, we would have lost the house. The taxes and insurance added to the mortgage payment is almost unachievable; we are happy that we are getting the tax write-off as opposed to the landlord.
- The city needs to focus on creating affordable housing rather than falling for the political "selling the dream of homeownership" rather than providing adequate affordable housing. Once the homelessness crisis is addressed, then they can focus on "selling the dream of home ownership."
- I just found out - based on this survey - that we are again low income; we always just squeaked under the poverty line when the kids were young. Though we are doing ok, it's sad to know that we are again considered low income - the outrageously high cost of living combined with extremely high land values are driving people, especially families away. Why stay here just to struggle to make ends meet and find affordable rental housing, when they can move to other states where they CAN afford to purchase a home with land - the politicians are driving California to the bottom of the list - we used to be at the top of the list.
- I feel like Old Gilroy is neglected. The streets are not well taken care of, and the houses are also not taken care of, I'm assuming because of the amount of renters to owner ratio. There needs to be some kind of accountability for renters to take care of their dwelling, and for apartment owners to make their complexes up to some standard
- Gilroy should stop all detached housing construction and focus on job creation. Next priority should be on reliable, frequent, extensive and affordable public transportation.
- Do not continue to add assistance programs, affordable housing programs, etc. Put actual limits on the assistance that you do have. Most anyone that has relatively good health has no business being unemployed. If they say they can't make enough working only one job then they should get 2 jobs and continually try to add new skills and education until they can get a better job that pays more. I always loved that Gilroy residents were proud, hardworking, no nonsense, people. People that would rather take a second job or work an extra shift before they put their hand out asking someone else to give their hard earned money to support them. Unfortunately, everyone, especially our younger generation have no issue begging for others money instead of working. Complaining about how hard it is instead of realizing if they just push through, work harder, they will make it. I think there should absolutely be some forms of government assistance available. There are legitimate reasons why people need help but the help has to have limits. These programs are destroying our communities and handicapping the people you think you're helping. And what's frustrating to every hard working person who pays their taxes is that you're taking our hard earned money from us just to throw it away in programs that never work while bringing in more of these people who abuse these programs into our neighborhoods. Crime rates go up, the hardworking, proud people who moved to Gilroy to get away from cities like San Jose have to then sell their home and move away because your

well intentioned programs had no regard for the families that already live here. I can't tell if this makes sense because the box is so small but I hope you get the picture and hopefully someone actually reads these.

- The city needs to prioritize resources for the unhoused population. City council members need to be better informed about how to appropriately address race and equity related to housing and overall planning. Climate adaptation also needs to be incorporated into this update. There are lots of county resources focused on increasing tree canopy, portable air filtration systems and using buses as cooling centers.
- We absolutely must build housing for the residents being pushed out by all of the "above moderate" housing. Affordable units aren't at all affordable for those working in Gilroy and our city has done too little for too long to address housing inequalities. Our people without housing is increasing because generations of locals are being silenced and ignored. The majority of voters voted for Zach and Rebecca who have robust inclusionary housing goals, want attainable housing options for lower income residents and yet time and time again our current council ignores and outvoted them. It is disheartening and frustrating to live in such an unresponsive town.
- Homeless persons w/drug addictions need permanent housing. Most housing requires sober living. If they use they're out on the street again. Where do they get to live? Also, some mentally ill people need to be monitored. Its more than just a roof, they need special care and support without being institutionalized. What can the City plan for these circumstances?
- Investing in affordable homes will dignify families that want to live in a nice area as Gilroy. Where are the plans for that? Politics sometimes don't help on this topic
- Create suitable housing for the homeless in Gilroy and stop shipping them to San José
- Focus on schools and transportation. We have plenty of housing in comparison to those needs. Stop pandering to the homeless and your homeless problem will greatly resolve. It's not heartless to encourage people to move to more affordable areas. Many of our relatives have moved to other areas and states. It's time to grow up and become adults about this. I don't go to an expensive restaurant and expect them to hand out their door for free. This is no different. Basic economics folks.
- We need to look at traffic issues.
- It may be nice to have a Trader Joes in Gilroy's southside. Mesa Ranch area.
- Thank you for the opportunity to participate in this critical issue.
- Over 40% of black/brown people are lower working class and this seems like a good time to raise them with offering them the dignity of owning a home, making better homes available and not packing them into more housing apartments like sardines and saying we're helping. What they're paying for apartments is what they should be paying for a mortgage. It's a shame how \$100k is now considered low income in our city.
- Gilroy does not need to add more affordable housing to our already crowded city. There are enough places other than Gilroy to live if it's not affordable here. We also do not need to build rehab facilities or shelters for the homeless issue. Most of the homeless population are homeless by choice. The temp shelters will continue to perpetuate the irresponsible free life that the homeless community desires. All you need to do is interview people who work directly with the homeless and see for yourself that giving to them is not helping them.
- Our family is considered middle class but we will never be able to afford a house in Gilroy, despite saving regularly. That means we will have to leave in order to buy a house elsewhere. Gilroy is too focused on providing rentals. To close wealth disparity, give people easier access and affordability to own homes.
- All of Gilroy's water is ridiculously hard. I don't think just building houses or apartments will make people use them. People are homeless for a multitude of reasons. Address those and build out programs for that in conjunction with some sort of housing. No one that I know in Gilroy likes how low-income/high density housing looks. It's too metropolitan.

Spanish Responses:

- You have to build apartments at extremely low prices.
- That houses were built for extremely low excesses
- Gilroy needs housing for extreme low income
- Update the tabulators of the salary averages and the availability for housing payment, according to the current inflation.
- In Gilroy there are no technology companies to have prices close to those of Santa Clara, San Francisco. So there is no justification for having such high housing since the salaries mostly do not come from that branch.
- need money
- The city needs more extremely low income housing units. There are very few. The focus is always on low and very low. There are many people who can't afford low and very low income housing in Gilroy.
- We need low income apartments.
- Homes that adapt to our budgets.
- Need homes for extremely low incomes
- Gilroy needs extremely low wage housing.
- We needed extremely low income housing.
- We need housing for extremely low income farmworkers.
- We need low income housing.
- That the owners arrange the apartments that give washing machines to all the apartments.

- Take the community into account at every step.
- Maintenance of old houses.
- Extremely low income housing is needed in Gilroy.
- That they build more very low income villas. That there is no rent control every year!
- We need more housing for extremely low income people.
- We need very cheap homes because the income is very low and everything is very expensive.
- Give more publicity to housing assistance programs
- More affordable farmworker housing
- Well, beyond living more accessible for fieldworkers
- lower rents
- Rent prices are very high, we need rent control
- More low-income housing is needed
- We need economic living
- Need houses at lower prices. financial aid
- Please be aware of the requirements that they ask for to rent a place.
- Safety in Gilroy has been down. I live in the area of Las Animas park, where it used to be quiet and safe to go to the park. Now it's neither of them. And lately neighbors are suffering from theft of car parts in the middle of the day or night.
- More information in Spanish for the Hispanic community
- Previously the city had a program where families could work on the construction of the house and could buy it. This would be a very good option.

Virtual Workshop – March 30, 2022

On March 30, 2022 the City of Gilroy sponsored a virtual workshop focused on educating the community about the Housing Element Update planning process. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well a summary of the most frequently voiced concerns.

- How can our city and region assure the building of housing does not outpace available resources? Our water resources are dwindling.
- How can we as community/housing assistance programs assist those in leadership positions to "Fast Track" building affordable housing (Particularly for the disabled community)?
- Is the city considering any reductions in impact fees to encourage more development?
- Have any office buildings or motels been reviewed for possible housing for our unhoused?
- The responsibilities fall on other cities like ours. Most folks in affordable housing are not Gilroy. We need to house our own and get resources. Why aren't other cities taking their fair share of the responsibility. It's been 30 years without enforcement
- We definitely need more supportive housing! I believe many of the mentally ill would be able to function better if they had some supervision and were able to stay on their medications.
- We need more parking, especially for affordable units.
- In addition to having a serious concern about our housing crisis, I have an infill 10,000 sq ft zoned r3 and as a PUD parcel in Gilroy. I would like to develop this land in a way that would help our City achieve some of our target goals for the lower income population. My biggest concern is dealing with the whole permitting process.
- As a current homeowner who really values Gilroy's diversity (racial/ethnic, socioeconomic, political) I really hope that we prioritize ensuring that low-income and working families can always be a part of our community. Gilroy should be a place that someone can realize the "American Dream" by working hard, raising a family, and be able to own a home. Opportunities not only for affordable rental housing but also for affordable home ownership will be critical.
- Is Supportive Housing for the homeless part of this plan? That is housing that includes resources that address medical needs, mental health needs, good public transportation, etc?
- 91% of Gilroy adults with developmental disabilities live at home with aging parents or in segregated licensed care facilities not by choice but because of the lack of deeply affordable housing available. This is an issue that affects people of all abilities in Gilroy. As we saw in tonight's presentation median income in Gilroy is significantly lower than Santa Clara County's AMI which means that the majority of low income Gilroy residents will most likely fall well below VLI maximum income. In RHNA cycle 5 the city exceeded its low income RHNA but as of 2021 has met only 63% of it Very Low Income RHNA. The city needs to develop policies and programs to create housing at affordability levels to specifically promote development of housing at deeper levels of affordability.

Virtual Workshop – June 28, 2022

On June 28, 2022 the City of Gilroy sponsored a virtual workshop focused on the RHNA sites and housing programs of Housing Element Update. As part of this workshop, attendees were encouraged to give feedback via the question and answer function in Zoom, which were answered by either the presenter or in the chat box. Below is a listing of the questions as well a summary of the most frequently voiced concerns.

- All but a few lower income sites are in areas designated by the state as low resource. How will you meet requirements to affirmatively further fair housing?
- These maps appear very segregated, all of the "low and affordable" on one side and moderate on the other side. What can we do to spread the demographics?
- The train does NOT provide robust service, nor has it for years now. I believe these policies are outdated.
- There is no enforcement on this new policy, especially not in Gilroy. Landlords and property management companies flat out refuse to take vouchers.
- Is there any way to plan housing for Gavilan College students?
- Will the western side of the city have a variety of housing; condos, market rate apartments, and single family? Something to consider is changing demographic needs, smaller family size (or no children) and the desire to downside in retirement years
- Can survivors of gender-based violence be considered under this category?
- Will year-round emergency shelter be proposed?
- Community members have also requested that an ongoing, multi-year source of funding for basic needs services for homeless residents be identified, rather than requiring providers to reapply each year. Will this be incorporated in the housing element?
- Will an Inclusionary Housing ordinance be prioritized?
- It's wonderful to see farmworker housing on the list! A big thank you to staff and consultant, great work



City of Gilroy

STAFF REPORT

Agenda Item Title: Introduction and First Reading of an Ordinance of the City Council of the City of Gilroy Amending Sections 10A.15 (a) and (c) of the Gilroy City Code Relating to Host Liability for Illegal Fireworks and Illegal Use of Legal Fireworks

Meeting Date: May 1, 2023

From: Jimmy Forbis, City Administrator

Department: Community Development

Submitted By: Sharon Goei, Community Development Director

Prepared By: Monica Sendejas, Management Analyst

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Following the reading of the title of the ordinance by the City Clerk, move to waive the first reading of the ordinance beyond the title and introduce the ordinance of the City Council of the City of Gilroy amending Gilroy City Code Sections 10A.15 (a) and (c) to strengthen the ability to enforce a host liability for illegal fireworks and illegal use of legal fireworks on public streets.

EXECUTIVE SUMMARY

On February 27, 2023, staff presented a report on the Administrative Citations issued for illegal fireworks usage in Gilroy in July 2022. Based on the information presented to City Council in that report, including the feedback provided by the Hearing Officer after the Appeal Hearings, City Council directed staff to return with recommendations to strengthen the Fireworks Ordinance by amending the Host Liability for Illegal Fireworks.

Adopting the proposed amendments to the Ordinance for illegal fireworks will assist the City in attaining compliance regarding the prohibition of illegal fireworks in Gilroy. The Ordinance will hold property owners, or those with possessory interest in the property (rent, lease, permitted event, etc.) accountable for illegal use of fireworks that occur on

the property or the public street adjacent to their property. This will provide deterrence for property owners and renters to ensure that the illegal use of fireworks does not occur on their property or public street adjacent to their property.

BACKGROUND

Increased use of illegal fireworks, especially around the July 4th period, continues to be a problem in Gilroy and other jurisdictions in California. In July 2022, 61 citations were issued, 27 citations were appealed, with 11 of these citations being upheld by Administrative Decision (41%). This was a significant improvement over 2020 when the rate of citations upheld was 10%. The improvement was attributed to the modification in the City's Fireworks Ordinance adopted in April 2022 and the presence of video evidence and/or citing officers at appeal hearings.

Following the 2022 Appeal Hearings, the Hearing Officer provided the following feedback about the Ordinance:

- When fireworks were discharged in the public street, mere ownership of the adjacent private property is insufficient to create host strict liability.
- When illegal fireworks are discharged in the street or not on private property, the Ordinance can be strengthened by adding language that the person “possesses fireworks” or “presents evidence of use of fireworks” and by adding language that includes the adjacent street.

Fire danger from illegal fireworks to structures and open space vegetation poses a clear threat to public health, safety, and the general welfare of the City's residents and businesses. The use of illegal fireworks adversely impacts the quality of life of our community members, particularly those who suffer from post-traumatic stress disorder (PTSD) and those who own pets. The intent of strengthening the Fireworks Ordinance is to allow greater ability for attaining compliance with fireworks regulations and yielding a higher success rate in the appeals process.

ANALYSIS

Educational messaging reminding the public of what types of fireworks are permitted, when and where they can be used, and how to use them safely have been and will continue to be a primary method to prevent illegal fireworks usage. Increased presence and enforcement activity during the July 4th period is also needed.

City Council adopted a Host Liability for Illegal Fireworks Ordinance in April 2022 to assist the City in attaining compliance regarding the prohibition of illegal fireworks in Gilroy. The Ordinance holds property owners, or those with possessory interest in the property (rent, lease, permitted event, etc.), accountable for the illegal use of fireworks that occur on a property or in association with a property. It was designed to apply to anyone with the right to use, possess or occupy a public or private property under a

lease, permit, license, rental agreement, or contract. Additionally, the Ordinance can be applied to any person who hosts, organizes, supervises, officiates, conducts, or accepts responsibility for a gathering on public or private property. The Ordinance was intended to provide a deterrence to property owners and renters to ensure that the illegal use of fireworks does not occur on their property. Violations of the ordinance were subject to an administrative citation carrying a fine of \$1,000 for the first violation and \$2,000 for every subsequent violation.

The results of the July 2022 Fireworks Citation appeal hearings showed that the Ordinance needed to be strengthened regarding illegal fireworks being discharged in the public street. Enforcement Officers and the Deputy Fire Marshal attended each hearing and testified why a citation was issued. In 16 of 27 appeal cases, drone video and/or officer body camera footage were submitted into evidence. Seven of the 16 appeal cases with drone video and/or officer body camera had citations dismissed because the illegal fireworks were launched in the street, and a connection could not be made to host liability.

The proposed update to the Gilroy City Code incorporates feedback from the Hearing Officer after the 2022 appeal hearings and specifically incorporates language for when the fireworks are discharged in the public street. The proposed amendments to Sections 10A.15 (a) and (c) are shown below with strikethrough indicating language to be removed and underlining indicating new language to be added.

10A.15 Host liability.

(a) The term “host” in this section shall mean any of the following:

(1) An owner of any private residential or nonresidential real property in the city; or

(2) Any person who has the right to use, possess, or occupy public or private property under a lease, permit, license, rental agreement, or contract: or

(3) Any person who hosts, allows, organizes, supervises, officiates, conducts, or accepts responsibility for a gathering on public or private property

(4) Any occupant of any private residential or nonresidential real property in the city who hosts, allows, organizes, supervises, officiates, conducts, or accepts responsibility for a gathering on private property that results in a violation of this chapter on the public street adjacent to the occupant’s private real property.

~~(4)~~(5) A person need not be present at the property or any such gathering resulting in the response giving rise to the imposition of civil fines or civil fees for response costs. Prior knowledge of the illegal use of fireworks is not a prerequisite to a finding that any specific individual is a responsible host as defined by this section.

- (c) Any host shall be strictly liable for any unlawful possession, ignition, explosion, discharge, use, or display of any fireworks in violation of this chapter on their property, the public street adjacent to their property, or at their gathering, except that no person who has the right to use, possess, or occupy a unit in a multifamily residential property under a lease, rental agreement, or contract shall be liable for a violation of this chapter occurring in the common area of the property unless the person hosts, organizes, supervises, officiates, conducts, or accepts responsibility for a gathering at which the violation occurs.

ALTERNATIVES

Council may modify or reject the proposed amendments to the Ordinance. Rejection of the amendments to the Ordinance is not recommended, as it would reduce the ability to uphold citations during appeal hearings.

FISCAL IMPACT/FUNDING SOURCE

Adopting the amendments to the Ordinance provides additional authority for the Hearing Officer to uphold a fireworks citation but does not obligate any additional resources to be used. The amendments to the Ordinance may result in more citations being upheld. The amendments may also increase deterrence and thus decrease the overall illegal use of fireworks. The fiscal impact of the amendments is projected to be net neutral.

PUBLIC OUTREACH

If and when adopted, community engagement efforts will be undertaken to share this information with the community between the adoption and the July 4th holiday.

NEXT STEPS

If the amendments are accepted, and Council introduces the Ordinance, the Ordinance will return to the Council at the next regular meeting for adoption. The Ordinance would go into effect 30 days after adoption.

Attachments:

1. Draft Ordinance
2. February 27, 2023 Fireworks Citations Staff Report

ORDINANCE NO. 2023-XX**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GILROY
AMENDING SECTIONS 10A.15 (a) AND (c) TO THE GILROY CITY CODE
RELATING TO HOST LIABILITY FOR ILLEGAL FIREWORKS AND
ILLEGAL USE OF LEGAL FIREWORKS**

WHEREAS, the City of Gilroy (City) may adopt regulations to protect the health, safety, and welfare of the public under California Constitution Article XI, Section 7, and California Government Code Section 37100, and thereby is authorized to declare what use or condition constitutes a public nuisance; and

WHEREAS, the City has the authority under California Government Code Section 53069.4 to issue administrative citations for violations of the City's ordinances; and

WHEREAS, pursuant to Chapter 10A, entitled Fireworks, of the Gilroy City Code (City Code), the City currently prohibits the sale, possession and use of "dangerous fireworks" as defined by state law, within the City and permits the discharge of safe and sane fireworks, as defined by state law, within the City only during the hours between 12:00 AM July 1st and 12:00 AM July 5th; and

WHEREAS, the City periodically reviews its ordinances to ensure that they are achieving their aims, while continuing to adhere to legal requirements; and

WHEREAS, The City Council of the City of Gilroy finds that the aims of City Code Chapter 10A would be better achieved by penalizing not only those individuals who use fireworks in violation of the City Code, but also those individuals who allow such illegal use on property that they either own or control; and

WHEREAS, Sections 10A.15 (a) and (c) do not currently address host liability for possession, ignition, explosion, discharge, use, evidence of use or display of any illegal fireworks on the public street adjacent to the occupant's private real property; and

WHEREAS, the City has experienced an increased use of illegal fireworks around the 4th of July period each year and wishes to strengthen the ordinance to reduce the likelihood of injuries or property damage as a result of these illegal fireworks; and

WHEREAS, the City desires to amend the "host liability" regulation in order to ensure those who have possession of a residence or other property are held legally responsible for dangerous illegal firework possession and use on that property and the public street adjacent to their property; and

WHEREAS, the City Council finds that holding property owners responsible for illegal firework use is necessary to protect the health, safety, and welfare of the public; and

WHEREAS, the City Council desires to amend and update its City Code to reflect the current needs of the City, and to ensure the health, safety, and welfare of the public.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GILROY DOES HEREBY ORDAIN AS FOLLOWS:

SECTION I

The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION II

Section 10A.15 (a) of the Gilroy City Code is hereby amended to read as follows:

10A.15 Host liability.

(a) The term “host” in this Section shall mean the following:

- (1) An owner of any private residential or non-residential real property in the City;
or
- (2) Any person who has the right to use, possess, or occupy public or private property under a lease, permit, license, rental agreement, or contract; or
- (3) Any person who hosts, allows, organizes, supervises, officiates, conducts, or accepts responsibility for a gathering on public or private property.
- (4) Any occupant of any private residential or nonresidential real property in the city who hosts, allows, organizes, supervises, officiates, conducts, or accepts responsibility for a gathering on private property that results in a violation of this chapter on the public street adjacent to the occupant’s private real property.
- (5) A person need not be present at the property or any such gathering resulting in the response giving rise to the imposition of civil fines or civil fees for response costs. Prior knowledge of the illegal use of fireworks is not a prerequisite to a finding that any specific individual is a responsible host as defined by this section.

Section 10A.15 (c) of the Gilroy City Code is hereby amended to read as follows:

- (c) Any host shall be strictly liable for any unlawful possession, ignition, explosion, discharge, use, evidence of use, or display of any fireworks in violation of this chapter on their property, the public street adjacent to their property, or at their gathering, except that no person who has the right to use, possess, or occupy a unit in a multifamily residential property under a lease, rental agreement, or contract shall be liable for a violation of this chapter occurring in the common area

of the property unless the person hosts, organizes, supervises, officiates, conducts, or accepts responsibility for a gathering at which the violation occurs.

SECTION III

Except as set forth in this Ordinance, all other provisions of the Gilroy Charter and City Code shall remain in full force and effect.

SECTION IV

This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City of any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION V

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Gilroy hereby declares that it would have passed and adopted this ordinance, and each section, subsection, sentence, clause or phrases hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION VI

This Ordinance shall take effect thirty (30) days after its adoption. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

Passed and Adopted by the City Council of the City of Gilroy at a regular meeting duly held on the ___ day of May 2023 by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title:	Report on Illegal Fireworks Administrative Citations
Meeting Date:	February 27, 2023
From:	Jimmy Forbis, City Administrator
Department:	Community Development
Submitted By:	Sharon Goei, Community Development Director
Prepared By:	Monica Sendejas, Management Analyst Jonathan Crick, Deputy Fire Marshal

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Receive report on illegal fireworks administrative citations and provide direction for the Fireworks Citation program.

EXECUTIVE SUMMARY

In April 2022, City Council adopted a Host Liability for Illegal Fireworks ordinance to assist the City in attaining compliance regarding the prohibition of illegal fireworks in Gilroy. The ordinance places host liability for illegal fireworks and the illegal use of legal fireworks on property owners or renters. The intent was to allow for greater ability for attaining compliance with fireworks regulations, as well as granting law enforcement personnel a greater ability to safely issue citations for illegal fireworks, helping to attain compliance in the future. This report discusses the administrative citations issued in July 2022 and provides the status to date.

BACKGROUND

Each year, the City Fire and Police Departments experience a significant number of non-routine Fire and Police requests for services, emergency calls, and citizen complaints, all of which are directly related to the use of illegal fireworks during the July 4th period. Fire danger from illegal fireworks to structures and open space vegetation poses a clear threat to public health, safety, and the general welfare of the City's

residents and businesses. The use of illegal fireworks adversely impacts the quality of life of our community members, particularly those who suffer from post-traumatic stress disorder (PTSD) and those who own pets.

Educational and enforcement campaigns against setting off illegal fireworks, as well as the increased presence and enforcement activities during the July 4th period, have been used by the Fire and Police Departments to deter and counter the use of illegal fireworks. Administrative and criminal citations have been issued in recent years for use of illegal fireworks, when and where a clear violation of the ordinance exists. Typically, it is not difficult for enforcement officers to identify the area an illegal aerial firework originates. The challenge lies in identifying the specific individual user, or possessor of the illegal fireworks, and determining the responsible party.

ANALYSIS

Educational messaging reminding the public of what types of fireworks are permitted, when and where they can be used, and how to safely use them have been and will continue to be a main method to prevent illegal fireworks usage. Increased use of illegal fireworks, especially around the July 4th period, continues to be a problem in Gilroy and other jurisdictions in California.

On April 4, 2022, City Council adopted Ordinance No. 2022-03, Host Liability for Illegal Fireworks ordinance, adding Gilroy City Code Sections 10A.15 through 10A.18 to Chapter 10A to create and enforce a host liability for illegal fireworks and illegal use of legal fireworks. The ordinance holds property owners, or those with possessory interest in the property (rent, lease, permitted event, etc.) accountable for illegal use of fireworks that occur on a property or in association with a property. The ordinance was intended to provide a deterrence to property owners and renters to ensure that the illegal use of fireworks does not occur on their property. Violations of the ordinance were subject to an administrative citation carrying a fine in the amount of \$1,000 for the first violation and \$2,000 for every subsequent violation.

The Host Liability for Illegal Fireworks was created in a manner to avoid a narrow application to property owners only. It was designed to apply to any person who has the right to use, possess or occupy a public or private property under a lease, permit, license, rental agreement, or contract. Additionally, the ordinance can be applied to any person who hosts, organizes, supervises, officiates, conducts, or accepts responsibility for a gathering on public or private property.

Citations issued over the past three years leading to and during the July 4th period are as follows:

- **2020:** Seventy-eight (78) Administrative Citations were issued with a fine amount of \$500. Twenty-nine (29) appeals were submitted, and twenty-six (26) citations

were dismissed after the appeal. Of the seventy-eight (78) citations, forty-five (45) citations were paid, twenty-six (26) citations were dismissed, and seven (7) remain uncollected. The rate of citations upheld per Administrative Decision after the appeal was 10%. Six (6) criminal citations were sent to the District Attorney's Office for review. The District Attorney's Office does not inform the City of the resolutions of the citations.

- **2021:** Due to the results of the 2020 Administrative Citation Hearings, staff issued zero (0) Administrative Citations as the City's Hearing Officer considered the current ordinance with the existing language to have a very low success rate of enforcement. The City subsequently updated the ordinance in April 2022. Eight (8) criminal citations were sent to the District Attorney's Office for review. The District Attorney's Office does not inform the City of the resolutions of the citations.
- **2022:** Sixty-one (61) Administrative Citations were issued with a fine amount of \$1,000 for the first offense and \$2,000 for every subsequent violation. One (1) criminal citation was referred to the District Attorney's Office for review and prosecution. Appeal Hearings were conducted for twenty-seven (27) citations issued. Among the appeals, sixteen (16) citations were dismissed, and eleven (11) citations were upheld. Five (5) payment plans were established by Administrative Decision in the citations that were upheld. The rate of citations upheld per Administrative Decision after the appeal was 41% which can be attributed to the modification in the City's Fireworks Ordinance adopted in April 2022 and the presence of video evidence and/or citing officers at appeal hearings.

For the citations issued in 2022, the appeal hearings were conducted virtually on January 17-19, 2023. Enforcement Officers and the Deputy Fire Marshal attended each hearing and provided testimony as to why a citation was issued. In sixteen of the twenty-seven (16 of 27) appeal cases, drone video and/or officer body camera footage were submitted into evidence. Seven of the sixteen (7 of 16) appeal cases with drone video and/or officer body camera had citations dismissed because the illegal fireworks were launched in the street and a connection could not be made to host liability. The total cost for services rendered by the Hearing Officer for the Appeal Hearings was \$16,065.

Staff continues to work on the collections process for 2022. Fifteen (15) citations, which did not go through the appeal process, have not been paid to date. In addition, one (1) payment bounced. The penalty amount increased by 10% (\$100) with each notice. A third notice for these citations was mailed on January 31, 2023, by regular and certified USPS mail. The unpaid citations which are not received by March 10, 2023, will be sent to collections for payment. Payment plans have been established by Administrative Decision for the unsuccessful appeals that are unpaid (five (5) citations).

Below is a summary of citations issued, fines collected, and appeal outcomes in 2020 and 2022:

	2020 Citations	Total Fines	2022 Citations	Total Fines
Issued	78	\$39,000	61	\$61,000
Paid Citations (as of 2/13/2023)	45	\$22,500	22	\$23,000

	2020 # of Appeals	2022 # of Appeals
Total # of Appeals	29	27
Citations Upheld	2 (1 paid)	11
Citations Dismissed	26	16
Withdrew Appeal	1	0

Some feedback provided by the Hearing Officer through the appeal hearings and rendered administrative decisions was as follows:

- In the situations where the fireworks were discharged in the public street, evidence was required to show that the cited person hosted, organized, or otherwise was responsible for a gathering at which the illegal fireworks were discharged. In his decisions when an appeal was successful, the Hearing Officer stated:

“Under the plain language of §10A.15, host strict liability based on property ownership is limited to the use of illegal fireworks on “any private residential or nonresidential real property.” If the cited use of illegal fireworks is in the public street, then mere ownership of adjacent private property is insufficient to create host strict liability. Host strict liability based on a tenancy is similarly limited to use of illegal fireworks on either the private or public property that is the subject of the lease or rental agreement. Therefore, as above, a tenancy by itself does not make the tenant strictly liable for the use of illegal fireworks on an adjacent public street that is not the subject of the lease or rental agreement. On the other hand, a person who hosts or accepts responsibility for a gathering under §10A.15(a)(3), can be strictly liable for the illegal use of fireworks at a gathering on either public or private property, including a public street,

regardless of whether an ownership or right to possession exists.”

- The Hearing Officer also stated that when it comes to illegal fireworks being discharged on the street or not on private property, the Host Liability for Illegal Fireworks ordinance can be strengthened by adding language that the person “possesses fireworks” or “presents evidence of use of fireworks.” Also adding language that includes the immediate adjacent street to the ordinance would be helpful.
- The Hearing Officer suggested that listing both the homeowner and the renter on the citation would be best.

Despite best efforts, the use of illegal fireworks continues to be a problem in Gilroy. Enforcement through Administrative Citations takes a significant amount of staff time, effort, and resources from multiple Departments and incurs a further cost to the City through the fine collection and appeal process. The estimated combined cost for administering the citations and hearings is \$45,000 to \$50,000. The citations that have been paid as of February 13, 2023, total \$23,000. There is no easy solution to rectify the issues regarding illegal fireworks. Staff is seeking Council direction on amending the Host Liability for Illegal Fireworks ordinance, whether to continue the fireworks citation program or other direction regarding illegal fireworks.

FISCAL IMPACT/FUNDING SOURCE

A summary of citation fines was presented above. As discussed, enforcement through Administrative Citations takes a significant amount of staff time, effort, and resources from multiple Departments and incurs further costs to the City through the fine collection and appeal process. Fund 1004040, which is the Fire Prevention Division, receives the citation revenue. The revenue received helps to partially offset the costs incurred in staff time (Deputy Fire Marshal and Management Analyst) in preparing the citations, handling the fine collection/rebiling process, mailing costs, coordinating and participating in the appeal hearing process, and the contractual fees for the Administrative Hearing Officer. The estimated combined cost for administering the citations and hearings is \$45,000 to \$50,000.



City of Gilroy

STAFF REPORT

Agenda Item Title:	Conduct a Public Hearing to Approve CDBG Program Year 2023-24 Funding Allocations and Annual Action Plan
Meeting Date:	May 1, 2023
From:	Jimmy Forbis, City Administrator
Department:	Community Development
Submitted By:	Sharon Goei, Community Development Director
Prepared By:	Sharon Goei, Community Development Director

STRATEGIC PLAN GOALS

Promote Safe Affordable Housing for All

RECOMMENDATION

Approve the Community Development Block Grant (CDBG) funding allocations and Annual Action Plan for Program Year 2023-24.

EXECUTIVE SUMMARY

For CDBG Program Year (PY) 2023-24, the City will receive \$368,433 in CDBG funding from HUD. In addition to the annual allocation, staff has identified \$280,466 of unused CDBG prior years' resources that will also be included in the 2023-24 Annual Action Plan and allocated to qualified projects/programs. PY 2023-24 is the second year of the City's two-year funding cycle. The projects/programs proposed by staff for funding renewal represent those previously awarded a grant in the first year of the two-year funding cycle and are performing satisfactorily and on track to meet their program goals, with one exception explained in the staff report. Including unused prior years' resources in funding allocation will allow areas of larger community needs, such as affordable housing rehabilitation/preservation and safe pedestrian pathway creation, to be accomplished. Staff recommends that Council conduct a public hearing, consider any comments, and approve the proposed CDBG funding allocations and Annual Action Plan for PY 2023-24.

BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) provides annual grants through the Community Development Block Grant (CDBG) program to local entitlement community grantees, such as the City of Gilroy. The CDBG program provides funding to carry out a wide range of community development activities to revitalize neighborhoods and provide improved community facilities and services. The program's primary objectives are to develop viable communities by providing decent housing and a suitable living environment and expanding economic opportunities for low and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended.

In compliance with federal regulations, entitlement communities develop their own programs and funding priorities meeting one of the following national objectives:

1. Grantees must give maximum feasible priority to activities that benefit low and moderate-income persons.
2. Grantees may also carry out activities to prevent or eliminate slums or blight.
3. Grantees may fund activities when the grantee certifies that the activities meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs.

Eligible Activities

The CDBG program is flexible in the types of projects and programs allowed to be funded. As outlined above, each activity must meet a national objective for the program.

The CDBG program allows, but is not limited to, the following activities:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures
- Construction of public facilities and improvements, such as streets and neighborhood centers
- Public services

Generally, the following types of activities are ineligible:

- Acquisition, construction, or reconstruction of buildings for the general conduct of government
- Political activities

ANALYSIS

To encourage applicants to apply for CDBG funds, the City released a Notice of Funding Availability (NOFA) for a two-year funding cycle. The NOFA was released on

December 17, 2021, to local organizations, nonprofits, and City departments that may be interested in applying for CDBG funds for a two-year funding cycle, PY 2022-23 (7/1/2022 to 6/30/2023) and PY 2023-24 (7/1/2023 to 6/30/2024). PY 2023-24 marks the second year of the funding cycle.

Funding renewal for the second year, PY 2023-24, is based on satisfactory performance during the first year and funding availability. Performance results of the projects/programs for the first year, PY 2022-23, are available through the second quarter and are summarized on the following page.

Performance through Second Quarter of PY 2022-23 (7/1/2022 – 12/31/2022)

Organization	Project/Program	Activities	Number of Participants/Beneficiaries	
			Q1 and Q2 Total	Annual Goal
Public Services: <i>Inclusive of the four (4) programs immediately below</i>				
<i>City of Gilroy Recreation</i>	Youth Activities	After-school and summer day camp programs that provide youth development and enrichment activities	33	65
<i>Live Oak Adult Day Services</i>	Adult Day Care	Meals, recreation, and socialization activities for disabled, at-risk seniors to maintain or increase participants' functionality and allow participants to age in place	13	25
<i>Community Agency for Resources Advocacy and Services (C.A.R.A.S.)</i>	RYSE UP (Reaching our Young people to Succeed and Empower with Unlimited Potential)	Outreach and intake, curriculum sessions, and case management to empower at-risk youth to prevent delinquent behavior	5	5
<i>Boys and Girls Club of Silicon Valley</i>	Ochoa Clubhouse CORE Enrichment	Summer and after-school enrichment activities for migrant and unhoused youth of the Ochoa Center	51	50
Rebuilding Together Silicon Valley	Repair and Accessibility Modification Program for Low-Income Homeowners	Repairs or modifications addressing safety and/or accessibility issues to preserve/rehabilitate affordable housing	2 (Another 23 applications in various stages)	17
City of Gilroy Public Works	Pedestrian Improvements – Sidewalk and Curb Ramp	Sidewalk and curb ramp improvements to create safe pedestrian pathways in low- and moderate-income neighborhoods	Council approved the construction contract on 3/6/2023; the project is anticipated to be completed in May 2023	

The projects/programs proposed by staff for funding renewal in the table below represent those previously awarded a grant through the two-year funding cycle and performing satisfactorily and on track to meet their program goals. One exception is the Boys and Girls Club of Silicon Valley's Ochoa Clubhouse CORE Enrichment Program. It is not being recommended for a second year of funding because the program is not providing services in PY 2023-24 due to its primary funder not providing funding. The CDBG funding that would have been allocated in the second year for this program, \$7,177, has been distributed proportionately among the three remaining public service activities listed below.

Staff would also point out that the PY 2023-24 grant award from HUD is \$69,744 lower than last year due to no fault of the City. Each year, HUD determines the amount of each entitlement grantee's annual funding allocation. Many variables in the amount of funding authorized at the federal level for CDBG appropriations, combined with variations in the funding formulas across states and communities, contribute to the amounts allocated to Gilroy varying each year.

Since the fall of 2022, staff has been spending significant efforts assessing and completing numerous CDBG activities from prior years to ensure the City does not lose CDBG funding. Through these efforts, staff identified unused prior years' resources totaling \$280,466 and noted this funding as critical to ensuring the City meets its expenditure obligation with HUD. When projects come in under budget or a project does not move forward, the funds remain in the City's line of credit with HUD and should be utilized for another eligible activity. To obligate all current funds and not jeopardize the allocation of future funds from HUD, staff recommends that the balance of these prior years' funds be included in the PY 2023-24 allocation. This action will alleviate the funding reduction impact and allow the gap to be funded using resources from prior years.

For the past several months, staff has been working with Rebuilding Together Silicon Valley (RTSV) to determine if there is a need for additional funding for this program. The City and RTSV recently conducted a workshop and community outreach at the Gilroy Senior Center to increase awareness about the safety repair and accessibility modification program that is free to eligible homeowners. Due to increased costs in construction, an increasing number of applications as a result of the outreach, and to provide the ability to assist residents with much larger needs (such as larger repairs or numerous repairs), staff recommends adding prior years' resources to RTSV to increase the amount of grant funds available for projects.

In addition, the Public Works Department will be designing and constructing another pedestrian improvement – a sidewalk and curb ramp project. The current allocation amount would cover only a low level of the associated costs for such a project. Thus, staff recommends adding prior years' resources to the sidewalk and curb ramp project.

A list of proposed organizations, projects/programs, and allocations for PY 2023-24 is presented on the following page. Based on the 2023-24 allocation of \$368,433, the maximum funding for public services (15%) is \$55,264.95, and the maximum funding for program administration (20%) is \$73,686.60.

Proposed Projects/Programs and Allocations for PY 2023-24

Organization	Project/Program	Activities	CDBG 2023-24 Allocation	Prior Years' Resources	Project /Program Funding
Public Services (up to 15% of HUD grant award): <i>Inclusive of the three (3) programs immediately below</i>			\$55,264.95	--	--
<i>City of Gilroy Recreation</i>	Gilroy Summer Day Camp Program	Summer day camp program that provides youth development and enrichment activities	\$37,312.61	--	\$37,312.61
<i>Live Oak Adult Day Services</i>	Adult Day Care	Meals, recreation, and socialization activities for disabled, at-risk seniors to maintain or increase participants' functionality and allow participants to age in place	\$9,704.19	--	\$9,704.19
<i>Community Agency for Resources Advocacy and Services (C.A.R.A.S.)</i>	RYSE UP (Reaching our Young people to Succeed and Empower with Unlimited Potential)	Outreach and intake, curriculum sessions, and case management to empower at-risk youth to prevent delinquent behavior	\$8,248.15	--	\$8,248.15
Rebuilding Together Silicon Valley	Repair and Accessibility Modification Program for Low- Income Homeowners	Repairs or modifications addressing safety and/or accessibility issues, and larger rehabilitation repairs, to preserve /rehabilitate affordable housing	\$140,000.00	\$118,000.00	\$258,000.00
City of Gilroy Public Works	Pedestrian Improvements – Sidewalk and Curb Ramp	Sidewalk and curb ramp improvements to create safe pedestrian pathways in low- and moderate-income neighborhoods	\$99,481.45	\$162,466.00	\$261,947.45
Program Administration (up to 20% of HUD grant award)			\$73,686.60	--	\$73,686.60
Total			\$368,433.00	\$280,466.00	\$648,899.00

Staff recommends that Council approve the proposed funding allocations and projects/programs for CDBG Program Year 2023-24.

ALTERNATIVES

The City Council may elect not to approve the funding recommendations as stated in this report or allocate the funds as it deems appropriate while staying within the maximum percentages that HUD allows.

FISCAL IMPACT/FUNDING SOURCE

CDBG funds are allocated by HUD on an annual basis and will be added to the City's line of credit once the Annual Action Plan is approved by HUD. The PY will begin on July 1, 2023, and end on June 30, 2024.

The CDBG resources are budgeted and expended from the City's CDBG Fund (Fund 245). The resources and funding recommendations will be included in the City's upcoming FY24 and FY25 budgets.

PUBLIC OUTREACH

A public comment period from April 1 – April 30, 2023, was held for the PY 2023-24 Annual Action Plan to seek community input, as well as a public hearing that will take place on May 1, 2023.

NEXT STEPS

Upon approval by the City Council, staff will submit the Annual Action Plan to HUD by May 15, 2023.

Attachments:

1. Draft 2023-24 Annual Action Plan

City of Gilroy

Annual Action Plan

For the Fourth Year of the Five-Year Consolidated Plan

Program Year 2023 - 2024

(July 1, 2023 – June 30, 2024)



Community Development Department

7351 Rosanna Street

Gilroy, CA 95020

Draft

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The City of Gilroy receives Community Development Block Grant (CDBG) funds each year from the U.S. Department of Housing and Urban Development (HUD) for housing, economic development, and community development activities. These funds are intended to meet priority needs locally identified by the City that primarily benefit persons with extremely-low, very-low, and low incomes (incomes of 80 percent or less of median area income).

To receive federal funds, the City must submit a five-year strategic plan—the Consolidated Plan—every five years to HUD as well as an Annual Action Plan for each program year that identifies local needs and how these needs will be addressed. The Action Plan must also demonstrate how the City will meet national goals set by the U.S. Congress to develop viable communities by providing decent housing, a suitable living environment, and economic opportunities.

The Consolidated Plan and each Action Plan embody and reflect three overall goals, which relate to the major commitments and priorities of HUD, including:

- To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs, and transitioning homeless persons and families into housing.
- To provide a suitable living environment through safer, more livable neighborhoods, greater integration of lower-income residents, increased housing opportunities, and reinvestment in deteriorating neighborhoods.
- To expand economic opportunities through more jobs paying self-sufficiency wages, homeownership opportunities, development activities that promote long-term community viability, and the empowerment of lower-income persons to achieve self-sufficiency.

The Program Year (PY) 2023/2024 Annual Action Plan (AAP) marks the 4th year of the five-year Consolidated Plan period, which runs from 2020-2025. The City has been notified by HUD that they will receive an allocation of \$368,433 for this upcoming program year. The AAP describes to the public and HUD how the City will specifically utilize these monies in the coming program year (July 1, 2023 - June 30, 2024). A complete listing of specific projects/programs that will be receiving funds can be found in section AP-35 of this document.

Any minor changes (i.e. typos, minor edits, changes that do not affect the essence of the document) to this Plan will be completed through a minor amendment process that will not require further citizen participation or City Council approval. Substantial amendments (i.e. funding changes, re-allocation of

project monies, etc.) will follow the City's citizen participation plan, and require a public hearing and Council approval.

2. Summarize the objectives and outcomes identified in the Plan

HUD has established a set of outcomes and objectives entitlement jurisdictions need to address. The outcomes and objectives are noted within each of the Goals included in the Strategic Plan (SP-45) section of the Consolidated Plan. In summary, they are as follows:

- **Outcomes:** Availability/Accessibility; Affordability; Sustainability
- **Objectives:** Create Suitable Living Environments; Provide Decent Affordable Housing; Create Economic Opportunities

The goals identified in this Action Plan are taken from the Consolidated Plan's Strategic Plan which describes how federal funds and other resources will be deployed and what other actions will be taken to address community development and affordable housing needs over the next five years. The following goals were made available in the Notice of Funding Availability (NOFA) issued, however only the goals with asterisks are being carried out with funding this year based on applications received/funded:

- Preserve affordable housing for home ownership*
- Install safety and enhanced public improvements*
- Small Business Expansion
- Workforce Development
- Supportive services for the homeless
- Supportive services for special needs populations*
- Fair housing support
- Neighborhood Revitalization

3. Evaluation of past performance

A meaningful evaluation of past performance is integral to determine what has been accomplished and what work is necessary to address the myriad of needs in the community. This evaluation included a review of past Consolidated Plans and AAPs. Through this evaluation, the City was able to compare the needs identified through this Consolidated Plan and compare them to the activities that have taken place in the past to determine if those activities are still necessary. Priority needs, and goals were then formulated to meet these needs with an eye to what has been successful in the past and what is necessary in the future.

The City will report, in detail, on its performance in the Consolidated Annual Performance Evaluation Report (CAPER) due to HUD 90 days upon completion of the program year. As an integral function of preparing for the CAPER, City of Gilroy Community Development staff monitors financial and program

performance of CDBG. Depending upon the results of that review, staff works with subrecipients to achieve spending and performance objectives.

PY 2021 marked the second year of Gilroy's 2020-2025 Consolidated Plan. The City's Consolidated Plan established five-year goals to benefit its low and moderate-income residents by creating suitable living environments, providing decent affordable housing, creating economic opportunities, and supporting activities for special needs and unhoused populations. In PY 2021, despite challenges posed by the ongoing COVID-19 pandemic, the City was able to achieve many of its five-year Consolidated Plan goals. Gilroy significantly exceeded its housing rehabilitation goals through the City's Rebuilding Home Repair, Rehabilitation, and Accessibility Modification Program, which addressed health, safety, and accessibility issues for 19 low- and moderate-income families. The City's allocation of funds awarded through the Coronavirus Aid, Relief, and Economic Security (CARES) Act for the CDBG program (CDBG-CV) supported 40 seniors impacted by the COVID-19 pandemic with healthy meal deliveries. As it has in previous years, the City continued to address the needs of other vulnerable populations in the community by funding public services for low-income youth and seniors.

Additionally, the City is proud to report that 100 percent of CDBG funds expended in PY 2021 were directed to serving low- and moderate-income persons, which is substantially above the requirement that 70 percent of funds are used for that purpose. CDBG program requirements also limit the amount of funds obligated for public services to 15 percent or less and for administration and planning to 20 percent or less of the annual grant amount. The PY 2021 CAPER shows that the City's public services obligation is below the 15 percent cap at 13.41 percent, and the administration and planning obligation is below the 20 percent cap at 17.58 percent.

Another regulatory limitation on the CDBG administration and planning costs is that no more than 20 percent of any origin year grant may be expended for planning and administrative costs. The City is currently in compliance with this requirement for the 2016, 2017, 2018, 2019, 2020, and 2021 origin year grants.

Finally, the critical program requirement of expending CDBG funds in a timely manner was met for PY 2021. A review of the City's expenditures on May 2, 2022 showed the City had a balance of 1.43 times its allocation, thus meeting the requirement that the amount of CDBG funds on hand 60 days prior to the end of the program year not exceed 1.5 times the annual allocation.

Based on HUD's review of the most recent CAPER from PY 2021, the City of Gilroy has the continuing capacity to administer its CDBG program. The activities undertaken are consistent with the City's HUD approved Consolidated Plan, and the City continues to make progress in meeting its housing and community development goals.

4. Summary of Citizen Participation Process and consultation process

The City followed the requirements for citizen participation outlined in the City of Gilroy Citizen's Participation Plan in the 5-year Consolidated Plan. In the last program year, the City implemented a 2-year funding cycle for applicants, as to lessen administrative burdens on staff and increase the efficiency of the programs/projects that received funding. PY 2023/2024 will be the second year of funding for grant recipients, thus a new NOFA was not published this year. The PY 2023/2024 Annual Action Plan included the following processes to ensure the highest citizen participation was captured during the development of this plan:

- Public Notice published and website posting for comment period on draft Action Plan: March 24, 2023 in the Gilroy Dispatch
- Public Notice published on the City's webpage and City's website newsflash on March 30, 2023
- 30 Day public comment period on draft Action Plan which was made available on City's website: April 1 – April 30, 2023
- Public Hearing held at City Council to review Action Plan and accept any comments prior to Plan approval and adoption: May 1, 2023.

All public hearings are published in The Gilroy Dispatch, which is the local newspaper of general circulation. Notices are published in both English and Spanish and are also posted on the City's website and messaging board outside of City Hall. The public hearing at the City Council meeting was held in person and the public was encouraged to attend to voice their comments for the upcoming program year.

5. Summary of public comments

To be updated after comment period and public hearing

6. Summary of comments or views not accepted and the reasons for not accepting them

To be updated after comment period and public hearing

7. Summary

See above.

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	GILROY	Community Development Department

Table 1 – Responsible Agencies

Narrative

The City of Gilroy (City) is the lead and responsible agency for the United States Department of Housing and Urban Development's (HUD) entitlement programs in Gilroy. The Community Development Department is responsible for administering the City's CDBG program. Entitlement jurisdictions receive entitlement funding (i.e., non-competitive, formula funds) from HUD. By federal law, the City is required to submit a five-year Consolidated Plan and Annual Action Plan to HUD listing priorities and strategies for the use of its federal funds.

The PY 2023/2024 Annual Action Plan marks the 4th program year of the City's 5-year Consolidated Plan.

Consolidated Plan Public Contact Information

Sharon Goei, Community Development Director

7351 Rosanna Street

Gilroy, CA 95020

408.846.0467

sharon.goei@cityofgilroy.org

Annual Action Plan
2023

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AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The Consolidated Plan outreach effort is a regional collaborative effort between the County of Santa Clara and seven entitlement jurisdiction cities. The County hired Michael Baker International, in partnership with Circlepoint, to assist them in their community engagement efforts. Community engagement is key for helping the County and cities to identify needs, priorities, goals, strategies, and activities for future housing and community development activities over the period of the five-year regional plan. Engagement activities included a community survey, public outreach, stakeholder consultations (or meetings), focus groups, and pop-up events.

As a part of the stakeholder consultation process, the City consulted with a variety of stakeholders, including City departments, human service agencies, local and regional community-based organizations, housing providers and advocates, and the Santa Clara County Housing Authority (SCCHA). Social service providers were also consulted, including those that provide services to the elderly, persons with disabilities, homeless persons, and other lower-income individuals and at-risk populations.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The City worked in coordination with many agencies, boards, and governmental entities with the intent of enhancing access to services, learning best practices of activities that would aid the City in developing strategies to meet established goals of providing decent and affordable housing, providing a suitable living environment, and expanding economic opportunities. The City's citizen participation efforts included the following efforts during the preparation of the Consolidated Plan and Annual Action Plan:

- CDBG/Housing Regional Coordinators Meetings – City staff and staff from the other CDBG entitlement cities in Santa Clara County, the County of Santa Clara Office of Supportive Housing, and the SCCHA participate.
 - These meetings discuss data resources and strive to coordinate requests for information to both public and private countywide agencies.
 - HUD staff meets with this group to clarify issues and assist in providing ongoing programmatic technical information.
 - The email listserv for this group enables members to share information and provide technical assistance to one another, thus promoting and creating an environment of cooperation and understanding of differing needs, concerns, and issues among the group. This expansion of knowledge of regional issues and sharing of information benefits each individual jurisdiction represented in the group.

- South County Collaborative – City Community Development staff partners with the collaborative, which consists of providers of services to low-income and special needs residents of Gilroy, San Martin, and Morgan Hill.
 - The collaborative is a nonprofit organization and can apply for funding benefitting the communities it serves.
 - Collaborative members share information through an active listserv and receive notices of public comment periods on the Action Plan and Consolidated Annual Performance and Evaluation Reports.
- Unhoused Service Providers Network – Monthly meetings are hosted by City Community Development staff that include representatives from the Gilroy Police Department Quality of Life Officer Team, Gilroy’s Emergency Services Coordinator, staff from County of Santa Clara, staff from various nonprofit agencies and shelter providers, health workers, the Santa Clara Valley Water District, and faith-based organizations. The focus is to increase collaboration and partnership among the service providers and the City to connect the unhoused with services. The sharing of information also has as a goal of coordinating resources and services for unhoused clients.
- Continuum of Care (CoC) Participation – Meets monthly with a group comprising governmental agencies, homeless service and shelter providers, homeless persons, housing advocates, affordable housing developers, and various private parties, including businesses and foundations, to identify gaps in homeless services, establish funding priorities, and pursue a systematic approach to addressing homelessness.
 - A Community Plan Implementation Team, which includes members of the CoC and other community stakeholders, meets quarterly to evaluate progress toward the Community’s Plan to End Homelessness.
- During the development of its Consolidated and Annual Plans and as a general practice, the City coordinated with a variety of housing agencies, public and mental health agencies, and service providers to discuss community needs. These discussions provided an opportunity for these entities to network and learn more about one another’s services and programs.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Santa Clara County Office of Supportive Housing is the administrator of the regional CoC. The City continuously coordinates with the Santa Clara County CoC to end and prevent homelessness in the City and County. The Santa Clara County CoC is a group comprised of countywide stakeholders, including

governmental agencies, homeless service and shelter providers, homeless persons, housing advocates, affordable housing developers, and various private parties, including businesses and foundations.

The CoC is governed by the CoC Board, which takes a systems-change approach to preventing and ending homelessness. This CoC Board is composed of the same individuals who serve on the Home Leadership Board. The Home Leadership is a public-private partnership that is committed to collective impact strategies to end chronic homelessness and is the governing body for the CoC and is responsible for implementing bylaws and operational protocols of the CoC.

Regional efforts of the CoC include the development of The Community Plan to End Homelessness, which identifies strategies to address the needs of homeless persons in the County, including chronically homeless individuals and families, families with children, veterans, and unaccompanied youth. The plan also addresses the needs of persons at risk of homelessness. The CoC is now in the process of updating a new plan for the next five years and the City plans to participate in these efforts. The City's Unhoused Ad Hoc Committee made twelve (12) recommendation to City Council for formal support and approval of the Community Plan to End Homelessness. The Council added an additional two (2) priorities and approved the plan.

Also, during the development of this Consolidated Plan, the City consulted with both the CoC and County Office of Supportive Housing for their expertise and experience in identifying community needs.

Service providers and organizations that provide services to homeless persons and persons at risk of homelessness were also contacted by the City to attend the Consolidated and Annual Action Plan engagement meetings. This included Destination Home, the policy group that works on homelessness prevention and strategies to end homelessness; Eden Housing, a homeless service provider that provides permanent supportive housing in the City; and City of Gilroy Recreation Department, which administers CDBG funded Gilroy Youth Activities.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City is not an Emergency Solutions Grant (ESG) entitlement jurisdiction and therefore does not receive ESG funds. However, the City does administer federal grant programs that provide assistance to homeless and low-income families in Santa Clara County. The City also helps fund and conduct the Point-in-Time (PIT) count, the biennial regional collaborative effort to count and survey homeless persons. The latest count and survey were conducted in January of 2023. The survey typically occurs every two years on January, however due to the COVID-19 pandemic, the 2021 PIT count was pushed back until early 2022. Other jurisdictions pushed back the 2023 PIT count to 2024, with the exception of

the County of Santa Clara. The data from the PIT count is used to plan, fund, and implement actions for reducing chronic homelessness and circumstances that bring about homelessness.

The Santa Clara County Continuum of Care takes the role of Homeless Management Information System (HMIS) administration. The County, and its consultant Bitfocus, work jointly to operate and oversee HMIS. Both software and HMIS system administration are now provided by Bitfocus. Funding for HMIS in Santa Clara County comes from HUD, the County of Santa Clara, and the City of San Jose. The County's HMIS is used by many city service providers across the region to record information and report outcomes. The software meets and exceeds HUD's requirements for the implementation and compliance of HMIS Standards. The project has a rich array of service provider participation and is utilized to capture information and report on special programming, such as Housing 1000, the County VTA free bus pass program, and prevention service delivery.

The city partners and the entire county use the HMIS system to support housing availability alongside the coordinated entry system to support transitional, shelter as well as permanent housing needs. In Santa Clara County's coordinated entry system, all homeless people complete a standard assessment tool (the Vulnerability Index-Service Prioritization Decision Assistance Tool or VI-SPDAT) that considers the individual's situation and identifies the best type of housing intervention to address their situation. A community queue of eligible households is generated from the standard assessment. The community queue is used to fill spaces in the permanent housing programs, including permanent supportive housing and rapid rehousing, in the County. This coordinated process reduces the need for people to traverse the county seeking assistance from every service provider separately.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Boys and Girls Club of Silicon Valley
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the Santa Clara focus group meeting on 11/7/19. The agency's top priority is improved coordination of youth and education programs.
2	Agency/Group/Organization	Healthier Kids Foundation Santa Clara County
	Agency/Group/Organization Type	Services-Children Foundation
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the Santa Clara focus group meeting on 11/7/19. The agency identified that the lack of financial support efforts is the most pressing housing problem.
3	Agency/Group/Organization	Bill Wilson Center
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the Santa Clara focus group meeting on 11/7/19 as well as community meetings on 11/4/19 in Morgan Hill and 11/20/19 in San Jose. The agency identified mental health services for low-income communities as a high priority.

4	Agency/Group/Organization	Community Services Agency of Mountain View and Los Altos
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the stakeholder consultation conference call meeting on 11/15/19. The agency identified a need for diverse types of affordable housing and improved transportation.
5	Agency/Group/Organization	San Jose Conservation Corps Charter
	Agency/Group/Organization Type	Services-Education
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the Gilroy focus group meeting on 11/18/19. The agency provided insight into solutions for homelessness, such as transitional housing, zoning changes, and tiny homes.
6	Agency/Group/Organization	CommUniverCity San Jose
	Agency/Group/Organization Type	Services-Education
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended a regional forum meeting in San Jose on 11/20/19. The agency identified children's education and care as a priority need.
7	Agency/Group/Organization	The Health Trust
	Agency/Group/Organization Type	Services-Health Health Agency

	What section of the Plan was addressed by Consultation?	Health Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the stakeholder consultation meeting on 11/21/19. The agency identified flexibility in funding mechanisms as a need to make affordable housing more attractive to developers.
8	Agency/Group/Organization	Rebuilding Together Silicon Valley
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the stakeholder consultation conference call meeting on 11/21/19. The agency identified funding for home rehabilitations as a high priority over the next five years.
9	Agency/Group/Organization	Servant Partners
	Agency/Group/Organization Type	Community Resources Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the community meeting on 11/13/19 at the Hillview library. The City will continue to consider Servant Partners as a resource in addressing the City's needs.
10	Agency/Group/Organization	Senior Adults Legal Assistance (SALA)
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the Palo Alto public engagement meeting on 11/17/19; the San Jose public engagement meeting on 11/19/19; and the regional forum meetings on 11/4/19 in Morgan Hill and 11/7/19 in Palo Alto. The City will continue to consider SALA as a resource in addressing seniors needs.
11	Agency/Group/Organization	HomeFirst (formerly EHC)
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the regional forum meeting in Morgan Hill on 11/4/19. The City will continue to consider HomeFirst as a resource in addressing homeless needs.
12	Agency/Group/Organization	Heart of the Valley
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was consulted through interview questions covering a range of issues such as community needs, areas in need of neighborhood revitalization, housing needs, low-moderate income vulnerabilities, and CDBG and HOME funding priorities. The agency provided emailed feedback.
13	Agency/Group/Organization	Santa Clara County Office of Supportive Housing
	Agency/Group/Organization Type	Housing Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the regional forum meeting in Morgan Hill on 11/4/19. The City will continue to consider the Office of Supportive Housing as a resource in addressing homeless needs.
14	Agency/Group/Organization	Santa Clara County Department of Planning and Development
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Public Housing Needs Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the regional forum meeting in Morgan Hill on 11/4/19. The City will continue to consider the County Department of Planning and Development as a partner in addressing the needs of the City.
15	Agency/Group/Organization	City of Gilroy Recreation Department
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Recreational needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was consulted and provided emailed feedback. The agency provided feedback into problems faced by the residents of the City of Gilroy.
16	Agency/Group/Organization	Vista Center for the Blind
	Agency/Group/Organization Type	Services for Disabled
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the stakeholder consultation via audio meeting on 12/9/19. The agency identified accessibility to City services and clearer grant application measures as priority needs.

17	Agency/Group/Organization	Destination: Home
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the stakeholder consultation via telephone meeting on 11/11/19. The agency identified that building more housing for the extremely low-income population and homelessness prevention are priority needs.
18	Agency/Group/Organization	Community Solutions
	Agency/Group/Organization Type	Services - Victims
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the AFH and Consolidated Plan joint meeting on 12/11/19 at the Gilroy Council Chambers. The City will continue to consider Community Solutions as a resource in addressing the needs of the City.
19	Agency/Group/Organization	St. Mary's Center
	Agency/Group/Organization Type	Parish Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended the AFH and Consolidated Plan joint meeting on 12/11/19 at the Gilroy Council Chambers. The City will continue to consider St. Mary's Parish as a resource in addressing the needs of the City.

20	Agency/Group/Organization	Housing Advisory Committee Gilroy
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency cohosted the AFH and Consolidated Plan joint meeting on 12/11/19 at the Gilroy Council Chambers. This group has now been consolidated with the CNRC into the HNRC, which will continue to serve the community in an advisory role to the Housing Division. The Housing and Neighborhood Revitalization Committee (HNRC) was consolidated with the Planning Commission in 2022.
21	Agency/Group/Organization	Community and Neighborhood Revitalization Committee - Gilroy
	Agency/Group/Organization Type	Housing Local Committee
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency cohosted the AFH and Consolidated Plan joint meeting on 12/11/19 at the Gilroy Council Chambers. This group has now been consolidated with the HAC into the HNRC, which will continue to serve the community in an advisory role to the Housing Division. The Housing and Neighborhood Revitalization Committee was consolidated with the Planning Commission in 2022.
21	Agency/Group/Organization	Federal Communications Commission
	Agency/Group/Organization Type	Other Government
	What section of the Plan was addressed by Consultation?	Broadband Services

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Federal Communications Commission (FCC's) National Broadband Map was utilized and reviewed to determine if any areas were lacking in the city and in not being addresses properly with broadband services. According to the Database, no areas of concerns existing within the city limits as 100% coverage is listed.
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Identify any Agency Types not consulted and provide rationale for not consulting

Although not addressed in this Plan, the City intends to consult with other agencies in the future to gain more collaboration, including, but not limited to:

- Resilience specific organizations: This will include the South County Regional Wastewater Authority (and possibly the Central Coast Regional Water Board) and the County of Santa Clara's Operational Area Hazard Mitigation Plan.

The City intended to reach out to these organizations and providers, however due to the pandemic, this action did not occur. The City is aware of the importance of both broadband and resiliency efforts and intends to address these items in the next Action Plan.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Continuum of Care Council	Identifies housing inventory count to facilitate the provision of housing services to those experiencing homelessness.
General Plan / Housing Element	City of Gilroy	Determines physical conditions of housing that affect habitability. Identifies the number of affordable units that need to be allocated to households with different income levels

Table 3 - Other local / regional / federal planning efforts

Narrative

Annual Action Plan
2023

19

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The City, other entitlement jurisdictions, and the County participated in a joint regional effort to conduct consultations and public outreach for the Consolidated Plan which drives the subsequent Action Plans. City and County staff, with assistance from consultants, worked to involve housing, social service, and other agencies in the community engagement process, including direct solicitation for these agencies to participate in the community survey, stakeholder meetings, and focus groups.

Stakeholder participants were asked questions and provided feedback on priorities, issues, and solutions in relation to CDBG-eligible activities such as housing, neighborhood revitalization, and low- to moderate-income household issues. They were asked about their top priorities, neighborhood revitalization, housing problems and their solutions, local organization support, families vulnerable to crisis, broadband internet issues, and how the jurisdiction should spend CDBG funding.

The responses were very helpful for the Needs Assessment and Strategic Plan of the Consolidated Plan, to analyze alongside data from the census and HUD, especially for topics pertaining to housing needs, homeless needs, non-homeless special needs and services, and community development needs.

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Outreach is essential to the City's ability to create an accurate and effective plan, and to allocate resources appropriately. The City (in partnership with the County) made extensive efforts to solicit citizen participation during the Consolidated Plan process which in turn drives each years' Annual Action Plan. Below is a summary of the steps taken for the Consolidated Plan, along with the efforts made for the PY 2023/2024.

First, the City attempted to reach as many residents as possible within the CDBG target areas and within specific demographics, such as low-income families, disabled persons, elderly persons, and families with minor children. Receiving feedback directly from residents who may potentially receive assistance from grant funds is crucial for the CDBG program's effectiveness. Second, the City reached out to practitioners, agencies, leaders, organizations, and companies who may have the specialized knowledge, experience, resources, and capacity to discuss needs, opportunities, solutions, investments, and how community improvements can be made. Third, the City encouraged all residents to weigh in on community needs and opportunities for improvements through resident participation opportunities.

The City offered several opportunities and various methods for participation and public comment throughout the development of the Consolidated Plan and Annual Action Plan, including:

1. Regional Needs Survey
2. Pop-Up Events
3. Regional Forums
4. Focus Groups
5. Joint Community Meetings on Consolidated Plan Process and Assessment of Fair Housing
6. Stakeholder Consultations
7. Public Hearings and Comment Periods for Draft Documents for current AAP:
 - Public Notices published in Gilroy Dispatch on March 24, 2023

- Public Notice published on the City’s webpage and website newsflash on March 30, 2023
- Public Comment Period on Draft Action Plan: April 1, 2023 – April 30, 2023
- Public Hearing: May 1, 2023

Citizen Participation Process Impact on Goal Setting

Comments and feedback obtained from the resident participation process are very useful in goal setting and strategic planning as they relate to the Consolidated Plan. For example, the comments received from stakeholders provided feedback for the Needs Assessment in the Consolidated Plan especially in sections concerning special needs populations and non-housing community development. The results from the survey and comments provided by the public also helped identify high areas of concern among the community especially as related to local data, housing, public services, and community development needs. The feedback was especially helpful in assessing the priority needs and goal setting for the Strategic Plan section of the Consolidated Plan. The responses obtained from community engagement were also helpful in providing more insight into barriers to affordable housing, priority needs, and areas needing the most neighborhood revitalization.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/broad community	Public hearing was held virtually on January 11, 2022 to comply with COVID-19 restrictions. Meeting was held to provide CDBG overview and release annual NOFA. The City had over 10 participants in the meeting. This meeting is being included here as it provided the 2-year funding cycle that we are currently in.	Comments received were in support of the funding and general questions regarding the application process	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper Ad	Non-targeted/broad community	30-Day draft comment period for the Annual Action Plan was published in the Gilroy Dispatch newspaper in English and Spanish and invited interested individuals to review Plan online and submit comments to Staff. The comment period was open from April 1, 2023 – April 30, 2023.	To be updated	To be updated	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing	Non-targeted/broad community	A public hearing was held at the City Council meeting on May 1, 2023. The meeting was publicly noticed in the Gilroy Dispatch at least 10 days prior to the hearing in both English and Spanish. Interested individuals were invited to provide comments/feedback prior to the final Action Plan being approved and submitted to HUD.	To be updated	To be updated	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

The City received \$368,433 in CDBG funds from HUD for PY 2023-2024.

Below is a summary of these expected resources which will be further identified in AP-35 for specific projects/programs.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Administration and Planning Economic Development Housing Public Improvements Public Services	368,433	0	280,466	648,899	400,000	City is taking an average allocation of \$400,000 per year for the last year remaining in the Consolidated Plan.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City of Gilroy does not have a match requirement.

There are additional federal grant programs the City can leverage to fund community development activities and increase the project efficiencies and benefits from economies of scale. These programs include:

- Housing Choice Voucher Program;
- Section 202;
- Section 811; and
- Affordable Housing Program through the Federal Home Loan Bank.

These programs would not be provided to the City but rather the SCCHA and affordable housing developers.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City's draft 2023 - 2031 Housing Element identifies vacant and underutilized land in the City of Gilroy that can accommodate a minimum of 669 extremely-low/very-low income units, 385 low-income units, and 200 moderate income units during the 2023 – 2031 Regional Housing Needs Allocation planning period. The draft 2023 - 2031 Housing Element includes additional programs to incentivize missing-middle-income housing and accessory dwelling unit (ADU) that are generally more affordable by design.

No CDBG dollars have been planned towards these units.

Discussion

See above.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Preserve affordable housing	2020	2025	Affordable Housing	Citywide	Preserve Affordable Housing	CDBG: \$258,000	Homeowner Housing Rehabilitated: 22 Household Housing Unit
2	Install safety and enhanced public improvements	2020	2025	Non-Housing Community Development	Citywide	Infrastructure Improvements in CDBG Target Areas	CDBG: \$261,947.45	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2,885 Persons Assisted
3	Supportive services for special needs populations	2020	2025	Non-Homeless Special Needs	Citywide	Special Needs Services - Elderly/Frail Elderly Special Needs Services - Youth Special Needs Services Persons with Disabilities	CDBG: \$55,264.95	Public service activities other than Low/Moderate Income Housing Benefit: 99 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Planning and Administration	2020	2025	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	Citywide		CDBG: \$73,686.60	Other: 1 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Preserve affordable housing
	Goal Description	
2	Goal Name	Install safety and enhanced public improvements
	Goal Description	
3	Goal Name	Supportive services for special needs populations
	Goal Description	
4	Goal Name	Planning and Administration
	Goal Description	

AP-35 Projects - 91.420, 91.220(d)

Introduction

The City received its HUD allocation of \$368,433 in CDBG funds for PY 2023/2024. Below is a summary of those proposed projects to be funded.

#	Project Name
1	Adult Day Care Program
2	Gilroy Summer Day Camp Program
3	Reaching our Young people to Succeed and Empower with Unlimited Potential (RYSE UP) Program
4	Repair and Accessibility Modification Program for Low-Income Homeowners
5	Pedestrian Improvements - Sidewalk and Curb Ramp Project
6	Program Administration

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Funding of most projects was based on a competitive process that involved a Request for Proposals from the City's annual NOFA that was released on December 17, 2021. Interested applicants submitted funding proposals to the City based on the targeted priorities developed by the City. The City's Housing and Neighborhood Revitalization Committee (HNRC), reviewed the proposals, interviewed the eligible applicants, and rated each competitive proposal. City staff ranked the proposals based on scores received and funds were distributed based on the applicants' ability to meet the stated priorities and funding availability. The main obstacle to this process was the limited availability of funding. Again, the applications were funded on a two-year cycle. These projects/programs listed above represent the second year of funding.

There was one change to note for agencies funded on the multi-year cycle. The Boys and Girls Club program unfortunately is not being continued for the upcoming program year due to a lack of "other" funds that operate the bulk of the program. Due to the program ending, the City is not renewing their funding contract for the second year and will recommend distributing those funds proportionately amongst the remaining public service providers.

AP-38 Project Summary
Project Summary Information

1	Project Name	Adult Day Care Program
	Target Area	Citywide
	Goals Supported	Supportive services for special needs populations
	Needs Addressed	Special Needs Services - Elderly/Frail Elderly
	Funding	CDBG: \$9,704.19
	Description	Live Oak Adult Day Services' Adult Day Care Program will provide disabled, at-risk Gilroy seniors with socialization, recreation, exercise, mental stimulation and nutritious meals, removing them from isolation into a life-enhancing and protected environment, and will provide family caregivers with respite and support services which will enhance their ability to care for their senior loved one in the home setting. HUD Matrix Code: 05A / National Objective: LMC (presumed benefit)
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	The program will provide services to 20 seniors
	Location Description	651 W Sixth Street, Suite 2, Gilroy, CA 95020
	Planned Activities	The program will provide disabled, at-risk Gilroy seniors with socialization, recreation, exercise, mental stimulation and nutritious meals, removing them from isolation into a life-enhancing and protected environment.,
2	Project Name	Gilroy Summer Day Camp Program
	Target Area	Citywide
	Goals Supported	Supportive services for special needs populations
	Needs Addressed	Special Needs Services - Youth
	Funding	CDBG: \$37,312.61

	Description	The City of Gilroy's Recreation Division's Gilroy Summer Day Camp Program will provide enrichment activities, sports, games, arts & crafts, and fun theme-based activities. Eight weeks of summer camp are broken down to four 2-week sessions to be offered to the community. Participants will submit one registration form, where they will select the weekly sessions of day camp they wish to enroll in, ranking prioritization. The Gilroy Summer Day Camp will provide a daily snack to all participants. Participant must attend at least one day of camp in order to be reported as an unduplicated beneficiary. Parents are required to sign-out their child from the program daily. A participant will be removed from the program if they receive three (3) disciplinary notices/referrals from the Gilroy Summer Day Camp staff, or if they have five (3) unexcused absences. A waitlist will be maintained. HUD Matrix Code: 05D / National Objective: LMC (income verification required)
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	The program will service approximately 75 youth aged individuals (ages 6-14).
	Location Description	Cesar Chavez Gym, 227 I.O.O.F. Avenue, Gilroy, CA 95020
	Planned Activities	The Gilroy Summer Day Camp will provide sports, games, arts & crafts and fun themed based activities. The funding this year will be focused on the summer programming (rather than after-school programming) as it aims to "fill the gap" for local youth to have a more robust program during the times they are not in school. HUD Matrix Code: 05D / National Objective: LMC (income verification required)
3	Project Name	RYSE UP Program
	Target Area	Citywide
	Goals Supported	Supportive services for special needs populations
	Needs Addressed	Special Needs Services - Youth
	Funding	CDBG: \$8,248.15

	Description	Community Agency for Resources, Advocacy and Services (C.A.R.A.S) is a local non-profit organization that will utilize CDBG funds to implement their RYSE UP Program (Reaching our Young people to Succeed and Empower with Unlimited Potential). The RYSE UP Program is aimed at providing low-income, young girls of Gilroy with an empowerment program that will focus on key at risk youth categories, including: crime prevention, gang intervention, youth empowerment, and recreational activities. The service will support at-risk youth who are displaying offending behaviors, truancy, trauma and on the verge or in the juvenile system. HUD Matrix Code - 05D Youth Services / LMC National Objective
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	4 youth
	Location Description	381-B First Street, Gilroy, CA 95020
	Planned Activities	The RYSE up program is aimed at providing low-income, youth girls of Gilroy with an empowerment program that will focus on key at-risk youth categories, including: crime prevention, gang intervention, youth empowerment, and recreational activities.
4	Project Name	Repair and Accessibility Modification Program for Low-Income Homeowners
	Target Area	Citywide
	Goals Supported	Preserve affordable housing
	Needs Addressed	Preserve Affordable Housing
	Funding	CDBG: \$258,000

	Description	The Rebuilding Together Silicon Valley (RTSV) Repair and Accessibility Modification Program for Low-Income Homeowners will repair housing units to attend to the immediate health and safety needs for low-income Gilroy homeowners and renters. Priority and emphasis of work to include residents living in the former Neighborhood Revitalization Strategy Area (NRSA). The focus of repairs will address urgent and critical needs, as well as minor repairs, accessibility and mobility needs and limited rehabilitation. With this program, RTSV will effectively preserve decent, affordable homeownership and restore suitable living environments in a cost-effective manner. We will also preserve affordable housing stock for low-income renters and ensure they have a safe, suitable, and healthy place to call home. This year, the program will focus on slightly larger projects to accomplish repairs that are typically out of reach for low-income homeowners. The average homeowner is expected to receive approximately \$8,500 per award. HUD Matrix Code: 14A Single Family Rehabilitation / National Objective: LMH
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	22 low-income homeowners and renters
	Location Description	Program is offered throughout the City to eligible homeowners
	Planned Activities	The focus of repairs will address urgent and critical needs, as well as minor repairs, accessibility and mobility needs and limited rehabilitation. Repair work is completed at no charge to the homeowner and can be on any type of owner-occupied housing unit: mobile home, condo, or single-family home. This year, the program will focus on slightly larger projects to accomplish repairs that are typically out of reach for low income homeowners.
5	Project Name	Pedestrian Improvements - Sidewalk and Curb Ramp Project
	Target Area	Citywide
	Goals Supported	Install safety and enhanced public improvements
	Needs Addressed	Infrastructure Improvements in CDBG Target Areas
	Funding	CDBG: \$261,947.45

	Description	The City of Gilroy's Public Works Department will design and install new sidewalk (gap closures) and curb ramps, both new and replacement on non-compliant existing ramps. To address these safety concerns, CDBG funds will pay for the work necessary to create safe pedestrian pathways. HUD Matrix Code: 03L Sidewalk Improvements / National Objective: LMA – City's low mod % is over 51% citywide.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	2,885 low mod households. This number may change depending on the exact locations identified by the Public Works Department once funding is committed and design work begins.
	Location Description	Low/mod block groups within the city limits
	Planned Activities	The City of Gilroy's Public Works Department will design and install new sidewalk (gap closures) and curb ramps, both new and replacement on non-compliant existing ramps. To address these safety concerns, CDBG funds will pay for the work necessary to create safe pedestrian pathways. HUD Matrix Code: 03L Sidewalk Improvements / National Objective: LMA – City's low mod % is over 51% citywide.
6	Project Name	Program Administration
	Target Area	Citywide
	Goals Supported	Planning and Administration
	Needs Addressed	
	Funding	CDBG: \$73,686.60
	Description	CDBG funds (20% of grant allocation) will be used to pay for staff time and consultant time related to the overall management and oversight of the CDBG Program. HUD Matrix Code: 21A General Program Administration
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	Program Administration for the CDBG Program

	Location Description	N/A
	Planned Activities	CDBG funds (20% of grant allocation) will be used to pay for staff time and consultant time related to the overall management and oversight of the CDBG Program. HUD Matrix Code: 21A General Program Administration

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City will continue to utilize CDBG funding to support citywide efforts that meet the needs of the community. Although the City did not renew its Neighborhood Revitalization Strategy with HUD, the former Neighborhood Revitalization Strategy Area (NRSA) remains a high need target area in which to invest HUD funding.

Geographic Distribution

Target Area	Percentage of Funds
CDBG Target Area	
Citywide	100

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City as a whole meets the city wide LMA definition as it exceeds 51%. The City previously maintained a HUD designated NRSA, at the local level, where the greatest need has been identified. All public services and housing activities will serve LMI households citywide.

Discussion

See above

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

The City is subject to the same barriers to affordable housing that exist across the Bay Area. These issues include the high cost of development, constraining the development of affordable housing units in favor of higher-end units, and the lack of developable land, which prevents housing development and increases the price of land.

Additionally, the County's Assessment of Fair Housing identified the following contributing factors to fair housing issues, including affordable housing, through analysis of data and community engagement feedback:

1. Access to financial services
2. Access for persons with disabilities to proficient schools
3. Access to publicly supported housing for persons with disabilities
4. Access to transportation for persons with disabilities
5. Admissions and occupancy policies and procedures, including preferences in publicly supported housing
6. Availability of affordable units in a range of sizes
7. Availability, type, frequency, and reliability of public transportation
8. Community opposition
9. Deteriorated and abandoned properties
10. Displacement of and/or lack of housing support for victims of domestic violence, dating violence, sexual assault, and stalking
11. Displacement of residents due to economic pressures
12. Impediments to mobility
13. Inaccessible public or private infrastructure
14. Inaccessible government facilities or services
15. Lack of access to opportunity due to high housing costs
16. Lack of affordable, accessible housing in a range of unit sizes
17. Lack of affordable in-home or community-based supportive services
18. Lack of affordable, integrated housing for individuals who need supportive services
19. Lack of assistance for housing accessibility modifications
20. Lack of assistance for transitioning from institutional settings to integrated housing

21. Lack of community revitalization strategies
22. Lack of local private fair housing outreach and enforcement
23. Lack of local public fair housing enforcement
24. Lack of local or regional cooperation
25. Lack of meaningful language access for individuals with limited English proficiency
26. Lack of private investment in specific neighborhoods
27. Lack of public investment in specific neighborhoods, including services or amenities
28. Lack of resources for fair housing agencies and organizations
29. Lack of state or local fair housing laws
30. Land use and zoning laws
31. Lending discrimination
32. Location of accessible housing
33. Location of employers
34. Location of environmental health hazards
35. Location of proficient schools and school assignment policies
36. Location and type of affordable housing
37. Loss of affordable housing
38. Occupancy codes and restrictions
39. Private discrimination
40. Quality of affordable housing information programs
41. Regulatory barriers to providing housing and supportive services for persons with disabilities
42. Siting selection policies, practices, and decisions for publicly supported housing, including discretionary aspects of Qualified Allocation Plans and other programs
43. Source of income discrimination
44. State or local laws, policies, or practices that discourage individuals with disabilities from living in apartments, family homes, supportive housing and other integrated settings
45. Unresolved violations of fair housing or civil rights law

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In its draft 2023 - 2031 Housing Element, the City of Gilroy identified opportunities and potential solutions for providing housing:

- Develop an affordable housing framework and incentives policy to achieve more affordable housing production and deeper affordability
- Develop an Accessory Dwelling Unit (ADU) program that includes pre-engineered plans for ADUs that meet zoning and building codes to increase ADU production
- Establish and implement expedited permit processing for qualifying affordable housing projects, pursuant to SB 35 and SB 330
- As part of the comprehensive zoning code update, pursue changes to streamline the permitting process
- Amend the zoning code to establish development standards for micro-units, create incentives for micro-unit production, and remove barriers to micro-unit development
- To enhance the quality of existing neighborhoods, continue to utilize CDBG funds to assist in the improvement and preservation of affordable housing
- Pursue funding from federal, state, and regional sources and support applications for funding to help increase the supply of affordable housing

Discussion

See above

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

This section discusses the City's efforts in addressing underserved needs, developing the institutional structure for delivering housing and community service activities, and expanding and preserving affordable housing opportunities.

Actions planned to address obstacles to meeting underserved needs

The Needs Assessment and Market Analysis of the 2020-2025 Consolidated Plan helped develop the City's priority needs for LMI persons, persons experiencing homelessness, special needs populations, and community service needs.

Actions planned to foster and maintain affordable housing

Rebuilding Together Silicon Valley will receive CDBG funds which will be used to provide minor home repair, accessibility, and rehabilitation projects for LMI homeowners. These rehabilitation projects are for homeowners who otherwise could not afford to make critical repairs in their homes, thus potentially resulting in health and safety issues that could cause a home to become uninhabitable and may lead to homelessness. For PY 23/24, Rebuilding Together is increasing its allowable amounts/awards to homeowners in hopes of completing a few more larger scale projects that will preserve affordable housing for these low-income homeowners. Additionally, a home that lacks proper accessibility for its owner may lead to a serious accident that could cause an even larger physical and financial burden.

Actions planned to reduce lead-based paint hazards

The City provides information about lead-based paint hazards at the Community Development counter and inspects properties being rehabilitated or acquired for affordable housing.

Additionally, when applicable, any homeowner units that participate in Rebuilding Together Silicon Valley's affordable housing project will be assessed for possible lead-based paint prior to rehabilitation.

Actions planned to reduce the number of poverty-level families

The City works to reduce the number of poverty-level families through all projects by making the projects available to LMI households citywide. Some projects were created to address the need of expanding economic opportunities for lower-income people and others may offer additional benefits in reducing poverty, simply by way of design.

- The Live Oak Adult Day Services' Adult Day Care Program provides recreation and socialization for persons who are unable to live independently. This program allows their caretakers to go to

work during the hours that the program is open. Were it not for this program, the caretaker may not be able to earn an income for the household because the person using the day program does not have anywhere else to go during that time.

- The Rebuilding Together Silicon Valley Repair and Accessibility Modification Program for Low-Income Homeowners will aid low-income homeowners and renters in making necessary health and safety and accessibility repairs to their homes that they otherwise would not be able to afford and which may otherwise lead to uninhabitability and potentially homelessness.
- The City of Gilroy Recreation Division's Gilroy Summer Day Camp Program will keep youth in the area engaged for 2-week sessions while their parents are at work for the day, and they are not in school.
- The C.A.R.A.S. RYSE UP Program seeks to support at-risk low-income girls who are displaying offending behaviors, truancy, trauma and are on the verge or in the juvenile system with activities that will help build their self-esteem.

Actions planned to develop institutional structure

The City is financially constrained and cannot meet all the needs identified in the Needs Assessment; however, the City continues to enter into partnerships with nonprofits to strategically meet some needs of the community. An especially pressing issue is meeting the needs of the City's growing unhoused population. The City will continue to provide a platform for the City and service providers to increase collaboration and partnership to connect unhoused individuals and families with services, through the monthly Unhoused Service Providers Network meetings. In addition, the City provides unhoused resources and efforts on its website at <https://www.cityofgilroy.org/unhoused>.

Actions planned to enhance coordination between public and private housing and social service agencies

Local nonprofits are partnering with Morgan Hill to operate a Safe Parking Program for South County.

Discussion

See discussion above

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

The City will continue to collect additional revenue to support the actions noted in the AAP. Program Income is collected from various sources to include repayment of past rehabilitation loans, rents from a city-owned property that was improved with CDBG funds. The City does not anticipate receiving any program income this program year.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

Discussion

The City will attempt to meet an overall benefit of 100% for this Annual Action Plan which will be for one year. The overall benefit will be measured for PY 2023.



City of Gilroy

STAFF REPORT

Agenda Item Title: **Adopt a Resolution Forming the Downtown Committee and Appoint Public Members to the Committee**

Meeting Date: May 1, 2023

From: Jimmy Forbis, City Administrator

Department: Administration

Submitted By: Bryce Atkins, Assistant to the City Administrator

Prepared By: Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Promote Economic Development Activities
Maintain and Improve City Infrastructure

RECOMMENDATION

Council:

- a) Adopt the resolution forming the Downtown Committee; and
- b) Appoint public members to the Committee.

BACKGROUND

At the April 17, 2023 City Council Regular Meeting, the City Council considered a draft resolution and determined details regarding the formation of the Downtown Committee (Committee). The basic tenants of the attached resolution, as identified by the Council at the above-referenced meeting, include:

- Downtown area is to be designated with boundaries from First to Tenth Streets and Railroad to Egleberry Streets
 - Membership shall consist of 15 total voting members
 - Five Council Members - Mayor Blankley and Council Members Bracco, Armendariz, Marques, and Tovar
 - Each can pick two public members from residents, business owners, or property owners from downtown Gilroy

- Chair and Vice-Chair are Council Members Marques and Tovar, respectively
- Eight members are required to form a quorum, with a simple majority to pass a motion, but at least three Council Members must agree on the vote
- Council adopted Boards and Commissions Attendance Policy shall apply to public members; Council Members control the seats they appoint, so they can reappoint the seats that they control if vacated
- Committee members carry out the work; Committee cannot direct staff but may make recommendations to the Council to issue direction to staff
- Term of the committee shall be for 24 months
 - Meetings shall be held on the floor of the City Council Chambers at 8 AM on the second Tuesday of the month, starting in May 2023. Meetings will start monthly for the first few months and may decrease frequency to once every two months or quarterly at the determination of the Committee
- Scope and Powers (duties)
 - First meeting, the Committee will reassign priority of recommendations that remain and how to define progress on those tasks, then the Committee may pursue additional recommendations or work.
 - Reporting back will be done as needed and determined by the Committee or Council

The direction from Council was to bring the revised resolution back to Council at the first meeting in May on the Council Consent Calendar.

Council members serving on the new committee are being asked to appoint their two selected public members to the Committee during this agenda item in preparation for the first Committee meeting on Monday, May 9, 2023.

ALTERNATIVES

Council may amend or reject the proposed resolution.

FISCAL IMPACT/FUNDING SOURCE

None. The Committee cannot direct staff, so the decision to form the Committee or the work of the Committee will not obligate funding. Any needed funding would be part of a recommendation brought to the Council as a future agenda item.

PUBLIC OUTREACH

This matter was discussed and included on the posted agenda for the public meeting of April 17, 2023. The item was also included on the publicly posted agenda for this meeting.

NEXT STEPS

Once the resolution is adopted, the first meeting of the Committee will be held on

Tuesday, May 9, 2023, at 8 AM at the Gilroy City Council Chambers. There will be reports issued by the Committee of their activities to the City Council at Council meetings in the future.

Attachments:

1. Draft Resolution forming the Downtown Committee

RESOLUTION NO. 2023-__**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GILROY
ESTABLISHING A DOWNTOWN COMMITTEE**

WHEREAS, the City Council of the City of Gilroy wishes to create an Advisory Committee of members from the City Council and stakeholders in downtown Gilroy to provide recommendations and input into the completion of the adopted downtown recommendations of the City Council in the first year, and other downtown related activities in the second year; and

WHEREAS, for purposes of this Downtown Committee, downtown Gilroy is defined as the area bordered by First Street to the north, Tenth Street to the south, Egleberry Street to the west, and Railroad Street to the east.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Gilroy does hereby establish the Downtown Committee (Committee), with the duties, powers and structure as follows:

Membership. The total membership of the Committee shall be fifteen (15) members. The Committee shall consist of five Council Members as appointed by the City Council. Each appointed Council Member may appoint two additional members of their choice from the residential community, business owners or property owners from downtown Gilroy. Members shall serve for the term of the Committee as defined below. Members of the Committee are tasked to complete the work of the Committee, with limited staff support as identified in the Powers and Scope section below.

Attendance and Vacancies. Council Members retain control of the seats that they appoint, and when such seats are vacated, the Council Member originally appointing that seat shall reappoint another qualifying candidate as described above to that seat. The Council Vacancy Policy on boards and commissions shall apply to the public members, including removal for excess absences.

Presiding Officers. Council Member Marques shall be the Chair of the Committee and preside over the meetings of the Committee. Council Member Tovar shall be Vice-Chair and perform the duties of Committee Chair in the absence of Chair Marques. The City Administrator will provide administrative support to the Committee.

Term. The Committee shall have a term of twenty-four (24) months, ending on April 30, 2025. At the expiration of the term, the Committee shall automatically be dissolved unless the term is extended by the City Council.

Meetings. The Committee shall initially hold meetings monthly. The meetings shall be held in the Gilroy City Council Chambers at 8:00 AM on the second Tuesday of each month, beginning in May 2023. The meeting schedule may be changed by the Committee to meet less frequently, for example, quarterly. The Committee may hold special meetings on an as-needed basis at the call of the Chair or as otherwise requested by the City Council. A quorum of the Committee shall consist of eight Committee members. The affirmative vote of a simple majority of the members present, which must include the

affirmative vote of at least three Council Members, shall be required for the Committee to take any action.

Powers and Scope. The Committee will have the authority and duty to:

- (a) Act in an advisory capacity to the City Council and City Administrator in matters pertaining to downtown Gilroy, as defined in the recitals above, with an initial focus on the outstanding downtown recommendations that were adopted by the City Council in October 2022. Once the work on those recommendations is prioritized and a workplan is underway by Committee members, other topics and recommendations relating to other downtown Gilroy subject matters may be explored;
- (b) Report back to the Council periodically at frequencies determined by the Committee, but no less than annually. The Committee has no authority to provide direction to City staff but may make recommendations to the full Council for their consideration of providing direction to staff;
- (c) Identify problems and, with Council approval, study such problems, activities, and concerns regarding the downtown, hold forums on such problems, and recommend programs, policies, and procedures to the City Administrator and City Council which the Committee finds necessary or desirable;
- (d) Perform such other duties related to downtown Gilroy as may be directed by the City Council.

Operation of the Committee. The work of the Committee shall be performed by the members of the Committee. The City Council, by this Resolution, hereby dedicates City staff resources limited to performing administrative functions to support the Committee, which is limited to agenda preparation and posting, meeting attendance, and meeting minutes preparation. The Committee shall comply and be governed by the State Ralph M. Brown Act and all other applicable State laws and local ordinances and policies. The Committee has purely advisory functions, and the public members are not considered to be "public officials" for the purposes of the Fair Political Practices Act.

PASSED AND ADOPTED this 1st day of May 2023 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Marie Blankley, Mayor

ATTEST:

Thai Nam Pham, City Clerk



City of Gilroy

STAFF REPORT

Agenda Item Title:	Fiscal Year 2023 General Fund Forecast Update
Meeting Date:	May 1, 2023
From:	Jimmy Forbis, City Administrator
Department:	Finance
Submitted By:	Harjot Sangha, Finance Director
Prepared By:	Harjot Sangha, Finance Director

STRATEGIC PLAN GOALS

Develop a Financially Resilient Organization

RECOMMENDATION

Receive report.

EXECUTIVE SUMMARY

This report aims to provide the City Council with an update on the Fiscal Year (FY) 2023 General Fund forecast, the budget development process to date, and what the City Council can expect in the forthcoming release of the FY24 and FY25 recommended budget. The General Fund forecast chart is not included in this report primarily as the budget is still in the final development phase. The forecast chart will be included with the release of the recommended biennial budget and presented to Council during the budget workshop.

BACKGROUND

The City Council last received a forecast update at the January 28th Strategic Planning Workshop and the March 13th Goal/Priority Setting Workshop, primarily based on the FY23 amended budget with updates to the City's major tax bases. Concurrently, the City kicked off its FY24 and FY25 biennial budget development process, and departments have prepared budgets that aligned with the recommended workplans submitted to Council.

ANALYSIS

General Fund

Revenues

For FY23, The General Fund's budgeted revenues are \$63.6 million. While the projected actuals vary by revenue category, overall, the annual revenues are projected to align with the amended budget.

General Fund Revenues by Category	(In Millions)			% of Budget
	FY23 Amended Budget	FY23 Projected Actuals		
Sales Tax	\$ 22.6	\$ 21.5		95%
Property Tax	19.2	19.4		101%
Utility User Tax	5.5	6.3		115%
Franchise Tax	1.8	2.2		122%
Transient Occupancy Tax	1.8	1.9		106%
Business License	0.7	0.7		100%
Other Revenues	12.0	11.8		98%
Total	\$ 63.6	\$ 63.8		100%

Notable highlights:

- Since March 2023 update, the City has received an updated sales tax report which yields a further reduction in sales tax revenues for FY23 of approximately \$0.5 million than previously reported. Notable decreases are in the transportation, general retail, and construction categories. The total sales tax for the year is expected to come in \$1.1 million under budget.
- Utility user tax is expected to come in at \$6.3 million, or \$0.8 million better than budget. The increase is primarily in the energy segments of the tax base, including gas and electricity.
- The franchise tax is expected to come in at \$2.2 million, or \$0.4 million better than budget. The increase is primarily in the gas and electric franchise and the refuse garbage franchise from the agreement approved by Council in December of 2022.

Expenditures

For FY23, the General Fund's budgeted expenditures are \$64.8 million. The actual expenditures for the year are projected to be \$63.6 million, approximately \$1.2 million under budget. The central services and general government budget are expected to come in higher than budget due to increased facilities' operational, and general liability insurance and claim costs.

General Fund Expenditures by Department/Function	(In Millions)			% of Budget
	FY23 Amended Budget	FY23 Projected Actuals		
Administration	\$ 3.1	\$ 2.7		87%
Recreation Transfer	1.5	1.5		100%
Other Transfers	1.3	1.3		100%
Finance	1.0	1.0		100%
Human Resources	1.6	1.5		94%
Police	26.6	25.5		96%
Fire	13.2	13.4		102%
Public Works	8.7	8.1		93%
Community Development	4.6	4.7		102%
Central Services	1.7	2.3		135%
Other General Government	1.5	1.6		107%
Total	\$ 64.8	\$ 63.6		98%

Since the March 2023 update, Council took another notable action to approve an extension to the Memorandum of Understanding (MOU) with the Gilroy Police Officers Association (GPOA) through June 30, 2025. The fiscal impacts related to the extension will be included in the recommended budget. It is important to highlight that with the extension of the GPOA agreement, Council has successfully approved multi-year labor contracts for all of the bargaining units. This helps provide stability for the employees and the organization for the next budget cycle.

The General Fund is projected to end FY23 with a \$34.6 million fund balance, or about 54%. The minimum required fund balance is 30%. Utilization of the fund balance will be recommended in FY24 and FY25, as further discussed in the report.

FY24 and FY25 Budget Development Update

The City commenced its biennial budget development in January 2023. On January 28, the City Council conducted a Strategic Planning session to review the existing workplans and Council-initiated items and added new legislative agenda items for the FY24 and FY25 budgets. At the March 13th Goal/Priority Setting Workshop, Council resolved pending discussions from the January 28 meeting and received and affirmed the recommended departmental workplan items for the FY24 and FY25. Since then, departments have prepared budgets aligning with the workplan tasks, which will be reflected in the forthcoming recommended budget.

General Fund Revenues

Overall, the City's tax-based revenues for FY24 are projected to remain the same, with slower growth. As noted above, the sales tax revenue is projected to decrease on average \$0.4 million a year from FY24 onwards but is expected to be offset by increases in the utility user tax and franchise tax revenues related to increases in

energy segments. In March, staff shared with the Council that the County notified the City will receive the excess Educational Revenue Augmentation Fund (ERAF) allocation of \$1.8 million for FY24. A portion of the annual property tax revenue collected by the County goes to the ERAF to support local school districts. When the amount contributed to ERAF exceeds the minimum cost of funding local schools, excess funds are returned to the county, cities, and special districts. The City has received this revenue source annually for the last decade, but its allocation has been challenged recently. This revenue source will be pivotal in the recommended budget, as discussed in the section below.

Over the last several years, the City has built up health reserves which are recommended to be expended on one-time strategic initiatives.

General Fund Expenditures

The primary expenditure category for the General Fund is personnel, approximately 73%. As mentioned above, the City Council has successfully approved multi-year labor contracts for all bargaining units, including the GPOA, most recently. The planned increases will be reflected in the recommended budget for FY24 and FY25. Other operational expenditure categories, including materials and services and internal services such as facilities, general liability, and information technology, are projected to be higher than forecasted. This is mainly a result of inflation and increased costs to operate and maintain the City's aging facilities and infrastructure.

In March 2023, staff discussed with Council the approach and philosophy for the FY24 and FY25 budget development, including aligning one-time revenues to one-time expenditures and any ongoing revenues to ongoing operational expenditures. Staff also previewed many of the one-time expenditure needs with the Council, which include:

- Infrastructure: Citywide streets and improvements for park restrooms, fire stations, and replacement of aging fleet.
- Equipment and Supplies: Equipment for public safety, including bodyworn cameras, mobile radios, breathing apparatus, and other safety equipment.
- Planning: Civic Center Master Plan, Downtown Specific Plan, Climate Action Plan, TDM/VMT policies, and Youth Center planning
- Liability: Pension and other post-employment benefits, worker's compensation, and general liabilities

Infrastructure investment will continue to be the theme of the FY24, and FY25 recommended budget, and these strategic initiatives will be recommended to be funded utilizing the General fund balance.

As for ongoing expenditures, there is a need for additional personnel to maintain the current service levels. Staff is evaluating the ERAF and will make any personnel additions contingent upon ERAF becoming the primary ongoing revenue source. The ERAF calculation has been challenged by the California School Boards Association (CSBA) in recent years, with the initial Writ of the Mandate being denied. The CSBA has

filed a Notice of Appeal to the Third District Court of Appeal, and the outcome is yet to be determined.

Any General Fund position recommendations will be aligned with the need to maintain or enhance current service levels and will be based primarily on General Fund budget priorities, such as public safety. Non-General Fund positions, such as for utilities, will be recommended based on the operational needs and need for delivery of the capital improvement program.

Capital Improvement Program (CIP)

Concurrent with the FY24 and FY25 operational budget, staff have also developed the recommended five-year, FY24 through FY28, CIP. The CIP will contain projects largely based on the various infrastructure masterplans, including the most recently approved water and wastewater masterplans, but will also include other grant-related and Council supported projects such as the additional contributions for the Street repair program, Ice Center infrastructure improvements, and the Civic Center Master Plan. The draft CIP will be presented to Council at the May 3 workshop.

The City has had much success in recent years with applying for and receiving grants related to infrastructure improvements. Council can expect these grant projects to be included in the recommended five-year CIP, such as the Gourmet and Railroad Alley improvements, San Ysidro Park healthy living enhancements and improvements, and corporation yard electric vehicle charging.

Schedule and Next Steps

- May 3 – CIP Workshop
- May 11 – Recommended FY24 and FY25 Budget Available
- May 22 – FY24 and FY25 Budget Workshop
- May 22 – Community Budget Meeting
- June 5 – Council Adoption for the Operating and CIP Budgets

FISCAL IMPACT/FUNDING SOURCE

There are no fiscal impacts associated with preparing and receiving this report. The recommended FY24 and FY25 and CIP budgets and related budgetary effects will be presented to Council at the respective budget workshops.



City of Gilroy

STAFF REPORT

Agenda Item Title: Council Consideration of a City Council Proclamation and Recognition Policy

Meeting Date: May 1, 2023

From: Jimmy Forbis, City Administrator

Department: Administration

Submitted By: Bryce Atkins, Assistant to the City Administrator

Prepared By: Bryce Atkins, Assistant to the City Administrator

STRATEGIC PLAN GOALS

Not Applicable

RECOMMENDATION

Council adopt the City Council Proclamation and Recognition Policy.

BACKGROUND

With the frequency of requests for proclamations received by the City, a policy regulating how proclamations are requested from the City Council would ensure that proclamations requests are made in an organized approach and with complete information. The policy would establish conditions that assist in minimizing staff time consumed to create proclamation documents and ensure sufficient information and time for processing to either go to the City Council or be presented via other means. This staff report presents the draft policy for Council adoption.

ANALYSIS

Staff is bringing to Council for consideration and direction the attached policy for its review and direction. The policy is generally consistent with other cities' policies in its general terms.

The proposed policy identifies a listing of requirements that must be met for proclamations and recognition items requested by the City Council to be considered. The key policy terms are listed below:

- Submission of a request does not guarantee the issuance of a proclamation.
- Only one proclamation may be issued per event, but multiple proclamations may be issued for the same day, week, month, and/or year.
- The subject must be relevant to the City of Gilroy community.
- The person or group requesting the proclamation or recognition, or the person being recognized, is a member of the City of Gilroy community.
- The request shall include either a sample proclamation to be used as a guide or provide sufficient information to assist the City Clerk and minimize staff time preparing the proclamation.
- The proclamation or recognition will be signed by the Mayor or Mayor Pro Tempore in the Mayor's absence.
- Requests from Council or community members for proclamations or recognitions shall be submitted to the Mayor and City Administrator for approval at least ten (10) business days before the Council Meeting, date of the event, or date of picking up the document, depending upon if it is being presented at a Council meeting, at an event, or to be mailed or picked up.

ALTERNATIVES

Council may modify or reject the proposed policy.

FISCAL IMPACT/FUNDING SOURCE

None. The processing of proclamation requests is a practice currently performed and will not impact the City financially.

PUBLIC OUTREACH

This item was included in the publicly posted agenda for tonight's regular Council Meeting.

NEXT STEPS

If approved, staff will then finalize the document and share the policy on the City's website and through the City's communication channels.

Attachments:

1. Draft Council Proclamation and Recognition Policy

City of Gilroy

City Council Proclamation Policy



Adopted: May 1, 2023

Purpose/Background

The purpose of this policy is to establish guidelines for the issuance of proclamations and recognitions.

Policy

Proclamations are public announcements or recognitions directing attention to, or recognition of, local residents, organizations, special events or special days, months or years, or other special causes. Proclamations are not statements of policy. Submission of a request does not guarantee the issuance of a proclamation. Only one proclamation may be issued per event, but multiple proclamations may be issued for the same day, week, month, and/or year.

All conditions and criteria identified below must be met before a proclamation or recognition will be considered.

1. Conditions required for all proclamations and recognition requests:
 - a. The subject must be relevant to the City of Gilroy community.
 - b. The person or group requesting the proclamation or recognition, or the person or group being recognized, is a member of the City of Gilroy community.
 - c. The request must include either a sample proclamation to be used as a guide or shall provide sufficient information to assist the City Clerk and minimize staff time in preparing the proclamation.
 - d. The proclamation or recognition will be signed by the Mayor or Mayor Pro Tempore in the Mayor's absence.
2. Proclamations or Recognitions to be presented at a City Council meeting:
 - a. Requests from Council or community members for proclamations or recognitions must be submitted to the Mayor and City Administrator for approval at least ten (10) business days prior to the Council Meeting, complete with information described in item 1(c) above. In the case of recognitions of particular groups or persons, the person or group being recognized must be a member of the City of Gilroy community.
 - b. The requesting group will have a representative at the City Council meeting to receive the proclamation or recognition from the Mayor or Mayor Pro Tempore in the Mayor's absence, except that requests for recognition of a special day, week, month or year that is recognized in solidarity as an expression of sentiment shall not be presented to any particular group or individual but will be read aloud by the Mayor or Mayor Pro Tempore in the Mayor's absence.
 - c. Presentation at a specific City Council meeting is not guaranteed.
3. Proclamations or Recognitions not to be presented at a City Council meeting:

- a. Requests from Council or community members for proclamations or recognitions must be submitted to the Mayor and City Administrator for approval at least ten (10) business days prior to the requested receipt date, complete with information described in item 1(c) above.
 - b. The proclamation or recognition will be mailed to or picked up by the requestor.
 - c. For proclamations or recognitions not to be presented at a City Council meeting the request may be granted at the Mayor's discretion.
4. Proclamations or Recognitions to be presented at an event:
- a. Requests from Council or community members for proclamations or recognitions must be submitted to the Mayor and City Administrator for approval at least ten (10) business days prior to the event, complete with information described in item 1(c) above.
 - b. The proclamation or recognition will be presented by the Mayor. In the Mayor's absence, the proclamation or recognition will be presented by a Council Member or staff member attending the event.
 - c. For proclamations or recognitions to be presented at an event, the request may be granted at the Mayor's discretion.